ΠΠυπικο

Commonwealth of Massachusetts
PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

MISSION STATEMENT

The Public Employee Retirement Administration Commission (PERAC) was created for and is dedicated to the oversight, guidance, monitoring, and regulation of the Massachusetts Public Pension Systems. The professional, prudent, and efficient administration of these systems is the public trust of PERAC and each of the 106 public pension systems for the mutual benefit of the public employees, public employers, and citizens of Massachusetts. The stewardship of the Trust Funds for the sole purpose of providing the benefits guaranteed to the public employees qualifying under the plans is the fulfillment of the obligation of the people of the Commonwealth to those who have dedicated their professional careers to the service of the people of the Commonwealth.

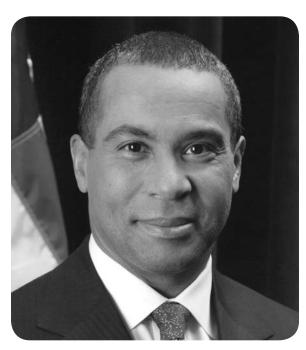
MNNUML REPORT 2007

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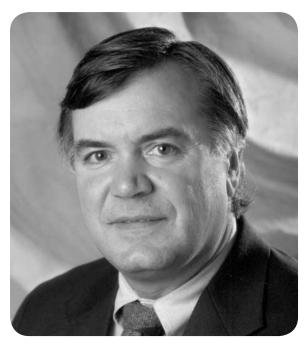
The Honorable Domenic J. F. Russo Chairman



The Honorable Deval Patrick Governor of the Commonwealth

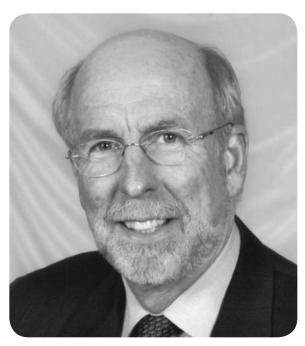


The Honorable A. Joseph DeNucci Auditor of the Commonwealth Vice Chairman



Kenneth J. Donnelly Lieutenant, Lexington Fire Department (Retired)

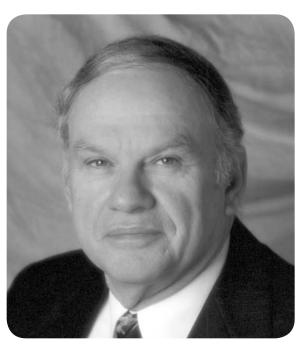
COMMISSION MEMDERS



The Honorable Paul V. Doane Executive Director, Arkansas Teacher Retirement System



James M. Machado Sergeant, Fall River Police Department



Donald R. Marquis Former Town Manager, Arlington

LETTER FROM THE CHAIRMAN

he Public Employee Retirement Administration Commission is pleased to release this 2007 Annual Report detailing the Commission's activities and reviewing the status of the Massachusetts public pension plans.

Chapter 68 of the Acts of 2007, adopted by the Legislature and signed into law by Governor Patrick, dramatically altered the relationship between the retirement systems and the Pension Reserves Investment Trust Fund (PRIT). Those systems that do not meet certain investment and funding standards must transfer assets to PRIT for investment. In the first year of implementation, the Commission fulfilled its responsibility under that law in a fair and equitable manner and we will continue that approach.

As we have pointed out in recent annual reports, the activities of our retirement boards, as reflected in the passage of Chapter 68, have become a focus of the media, policy-makers, and the general public. This is a reality that we all must accept. In addition, the financial and benefit structure of the systems, as created by Chapter 32, has been scrutinized as never before. There is no indication that these circumstances will change in the near future. Our common challenge is to make the case for our pension system and to

acknowledge that some reform may be necessary. Reasonable and responsible reform such as that embodied in the Commission's legislative recommendations (H.4011) focusing on education of board members, investment procedures, disclosures, and other matters can ensure the public of the commitment of those who manage the systems to the adoption of best practices in that management.

As recounted in this report, once again investment performance in 2007 was generally competitive with other pension funds across the nation. This performance reinforces the fact that the retirement boards invest as well as their peers and should give comfort, not only to the general public and policymakers, but most importantly, to those who rely on the systems for their retirement benefits.

As you know, 2007 marked the tenth anniversary of the first full year of the Commission's existence. During that time, great progress has been made in addressing many of the concerns that resulted in its creation. It is noteworthy that present controversies are not merely a repeat of those that arose in the past, but seem to emphasize the idiosyncrasies of Chapter 32. The Commission's record of achievement is documented in the work that the Commissioners and its

staff produce each day. In that regard, we thank all of those who served on the Commission during this period, as well as all those employees whose dedication and effort form the basis of our record. On this occasion, I would like to remember in a special way two people who are no longer with us. Commission Chair Elizabeth Laing oversaw the activities of the Commission during the formative period when the ground work for the decade was established and Pat Lowery, whose dedication to public service inspired all who worked with her, have left a lasting impression not only on the Commission but on the Commonwealth itself. Their example provides us with inspiration as we wrestle with the challenges ahead.

As always, the Commission and staff will use our best efforts to assist the retirement boards in safeguarding the interests of system members and beneficiaries.

Sincerely,

Domenic J.F. Russo Chairman



LETTER FROM THE EXECUTIVE DIRECTOR

Report for 2007 detailing the activities of the Public Employee Retirement Administration Commission (PERAC) and the Massachusetts public pension systems during 2007.

Last year, I noted that pension financing has become an increasingly important factor in the overall fiscal health of the Commonwealth and its cities and towns. leading to more intense scrutiny of the activities of our retirement boards. That has certainly been the case as evidenced by the passage of Chapter 68 of the Acts of 2007, which mandates the transfer of assets to the Pension Reserves Investment Trust (PRIT) if funding and investment standards are not met. The Commission did not take a position on the legislation and, as noted in our 2006 Annual Report, at the Public Service Committee hearing on the bill one Commissioner vehemently opposed its passage while the Secretary of Administration & Finance enthusiastically supported its adoption. Nonetheless, the Commission has implemented that law fairly and we believe in a manner sensitive to the retirement boards. More recently, there has been a constant media focus on the benefit and administrative structure of the retirement system.

In the past, I have used this letter to review the actions of the Commission, Courts, Governor, and Legislature that impacted the public pension community in the previous year. This year I would like to depart from that template and provide an overview of where our retirement systems stand and, hopefully, to

confront some of the myths about the public pension world in Massachusetts.

Background

The increasing focus on the public pension system in Massachusetts and across the country has brought forward many opinions about the fiscal condition, benefit structure, administration and investment performance of the trustees responsible for the management of those systems. An equal number of "solutions" to the "crisis" in public pension plans have been put forth, sometimes by well-meaning policy analysts and sometimes by those with preconceived conclusions based on principles that are not relevant to the subject at hand.

Reports assessing the performance and condition of the Massachusetts plans often have leaned to the "half empty" rather than "half full" characterization of the situation. For reasons that will be detailed, the statutory history of these systems mandates that, in many respects, the glass be half full at this point in time. Significant progress has been made in finances since the late 1980's when boards were authorized to begin the transition to actuarial funding. That progress has been generally acceptable from an actuarial point of view and in some cases extraordinary.

Too often the overall circumstances of all 106 retirement systems have been described on the basis of the circumstances of a limited number of systems. And in those cases, frequently the poor relative fiscal condition of those systems is one component of a

breakdown in all of the functions of a particular jurisdiction. For example, it should not be a shock that retirement systems in jurisdictions that have been under the statutory jurisdiction of a financial control board due to general conditions also have a financial problem in the retirement area.

Similarly, the impression of an overly generous benefit structure for the average employee is fostered by emphasis on anomalies and anachronisms in the law which appear to favor certain employees.

Finally, the investment returns of most retirement systems in Massachusetts have been competitive with similar entities across the country. The extraordinary performance of PRIT has tended to obscure that fact.

One of the most serious distortions in the discussion of the condition of the Massachusetts Public Pension System that has taken place in the last several years is the lack of perspective and context that often accompanies assertions about the system's shortcomings. This lack of perspective and context is particularly evident when comparisons are made to the private sector, Social Security and other public plans across the country. Any rational discussion of public pension issues and possible policy changes must take place with an accurate awareness of the history of the Massachusetts Public Pension System and how it truly compares to other retirement programs, governmental and private.

The first and perhaps most fundamental fact that

has been ignored to date is that Massachusetts is not a "Social Security" state. Public employees in Massachusetts rely solely on the public pension plan and are not eligible to participate in Social Security. Most other public employees in the country are covered by Social Security and thus the pension plan that is sponsored by the local government supplements Social Security. However, in spite of the supplemental nature of the locally funded and determined benefit in those jurisdictions, Massachusetts benefit structure is not overly generous in comparison and the funded status of the majority of Massachusetts systems compares well with that of those systems.

The second element that has been missing in the discussion of the Massachusetts systems is the historical context for the policy approach adopted to address long-term funding needs. From inception until the early 1980's, the Massachusetts Public Pension System was financed primarily on a pay-as-you-go basis. Annual appropriations by the governmental unit were set by the cost of the benefits to be paid in that year. Consequently, in the early years this shortsighted approach greatly benefited the governmental unit as few members were eligible for retirement and costs were kept artificially low. The poor overall fiscal condition of the systems was further exacerbated by withdrawing so-called "excess earnings" from the system to actually reduce the amount committed by the governmental unit. Thus, employer contributions to the retirement system often did not even match the amount being paid to retired members in benefits. In fact, for most of the period from 1945 – 1983, retirement boards were legally barred from attempting to secure actuarial forward funding as was required for private sector plans.

In the late 1980's, legislation was adopted that revised the method for funding our pension systems. The goal was twofold: (1) create a mechanism to transition to the amortization of the unfunded liabilities that had accrued under the pay-as-you-go method and, (2) immediately commence funding current benefits on an actuarial basis.

In the wake of the adoption of funding legislation in the late 1980's, state and local officials took actions that, although perhaps necessitated by the general fiscal condition, impeded the transition to actuarial fundina.

Following passage of the reforms that required a phase-in of actuarial funding, several jurisdictions sought and received home rule petitions that enabled them to avoid making the full appropriations necessary under the new law. This led to a reduction in funding status and a delay in the transition period.

In 1997, legislation transferred financial responsibility for the cost of cost of living adjustments to local retirees from the Commonwealth to the retirement systems and governmental units.

Early retirement incentives, pension holidays, and other local option statutes often adopted at the behest of municipal officials increased the liabilities of the retirement systems.

These actions reflect the fact that the retirement boards do not operate in a vacuum. Public officials have often used the retirement system to transfer costs from the operating budget to the pension budget, manipulate the pension appropriation, and, in some instances, solve personnel problems through disability retirement. Thus, one element of the difficulties we face is the use of the retirement system for unrelated purposes, some of which are supportable as public policy and some of which clearly are not.

Apples to Apples Comparison

The fact that Massachusetts public employees do not participate in the Social Security System has significant implications not only in terms of the benefit structure, but also on the fiscal condition of the retirement systems and the obligation of the employing governmental units (primarily the state and its cities and towns) to appropriate funds for those benefits. The "normal cost" paid by Massachusetts public employers to cover employee benefits as they accrue is substantially less than the percentage of payroll that, in the absence of the Chapter 32 system, would be paid to Social Security. Furthermore, comparisons between the fiscal condition, benefit structure, and viability of the Massachusetts systems and public and private retirement systems elsewhere must account for the lack of Social Security coverage for Massachusetts public employees. This difference makes any comparison between pension plans that incorporate Social Security and the Chapter 32 system a comparison of apples and oranges.

Non Social Security Systems

State Name	Method	Ratio	
1. Texas TRS	Entry Age	87.3%	
2. Ohio STRS	Entry Age	75.0%	
3. Ohio PERS	Entry Age	93.0%	
4. Nevada PERS	Entry Age	74.9%	
5. Missouri PSRS	Entry Age	82.6%	
6. Maine SRS	Entry Age	77.1%	
7. Louisiana TRSL	Projected Unit Credit	67.5%	
8. Louisiana SERS	Projected Unit Credit	63.9%	
9. Kentucky TRS	Projected Unit Credit	73.1%	

10.	Illinois TRS	Projected Unit Credit	62.0%
11.	Connecticut TRS	Entry Age	68.4%
12.	Colorado PERA	Entry Age	73.3%
13.	California TRS	Entry Age	86.0%
14.	Alaska TRS	Projected Unit Credit	60.9%
15.	Alaska PERS	Projected Unit Credit	65.7%
16.	Massachusetts SERS	Entry Age	81.5%
17.	Massachusetts TRS	Entry Age	67.2%

The financial condition of the Massachusetts systems must be put into the context of similar systems nationwide. This chart is the result of a survey conducted by the State of Wisconsin for 2006. Although the survey included nearly 100 pension systems, these are the systems that are stand alone, that is their members are not covered by Social Security.

The first observation that should be made is that the Massachusetts State Retirement System, with a funded ratio of 81.5%, is one of the better funded of the similarly situated funds surveyed. Out of the 17 funds surveyed, the MSERS places fifth in terms of the ratio of assets to liabilities. Although the Massachusetts Teachers System does not fare as well, it places 13th with a ratio of 67.2%. This is below the mean of 73.3% as well as the average of 74.1%. However, that ratio is not dramatically below either standard. The actuarial valuation of the Massachusetts systems uses the "entry age" method which generally results in greater liabilities than the "projected unit credit" method used in the Alaska and Kentucky plans, with a ratio above that of the Massachusetts Teachers.

The Massachusetts State Employees' Retirement Funded Ratio improved further since the Wisconsin Study. As of 1/1/08, that funded ratio was 89.4% on an actuarial value basis and 98.8% on a market value

The Massachusetts Teachers' Retirement System Funded Ratio has also improved since the Wisconsin Study. Although the 1/1/08 Actuarial Valuation is in process, as of 1/1/07, the Teachers Funded Ratio was 71.0%.

Funding History

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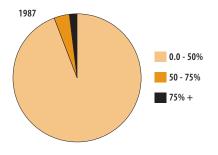
For the first time, legislation in 1987 allowed retirement boards to seek financing on an actuarial basis. The unfunded liability confronting the systems at that time was not the responsibility of the retirement board or the benefit structure in place; it was entirely due to the method of financing that had for years artificially masked the true cost of the pension systems. This failure to finance pension costs properly for the shortsighted temporary freeing of resources for use on other priorities, regardless of the value of those expenditures, is the true cause of the financial crisis that



culminated in the reforms in funding and investment and with which we are struggling today. Reform legislation recognized the financial impossibility of an immediate commencement of actuarial funding on a level amortization payment basis. For the same reasons, the law called for a maximum time period in which systems must retire unfunded liabilities. This responsible approach insured that systems would ultimately adopt a full funding approach while providing the flexibility for systems, on a case by case basis, to be as aggressive as circumstances of the individual governmental units allowed. The mandate that full funding be achieved by 2028 and the authorization of a 4.5% annually increasing amortization payment reflects the clear expectation that a transition period would be necessary to commence full funding.

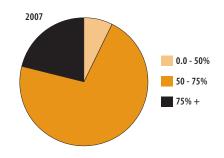
For many systems, the transition period is now or will soon be ending. The increase in unfunded liability that was the result of the flexibility has now ended in many systems and we are beginning to see scheduled appropriations leading to annual decreases in the unfunded liabilities. As of FY 08, 47 systems will experience a decline in unfunded liability as a result of appropriation. By FY 13, that number will reach 90. Each appropriation will result in a net reduction of unfunded liability. This is in addition to the 3 systems that are already 100% funded. In the next 5 years, 93 retirement systems will either be fully funded or will be reducing unfunded liability through annual appropriation. That is precisely the process that was envisioned when the Funding Reform Legislation was passed in 1987.

The following chart illustrates the status of the systems at the inception of actuarial funding:



100 of the 106 Massachusetts' public pension funds were less than 50% funded in 1987. At that time, only two had a funded ratio above 75% and an additional four were funded at a level greater than 50%, but less than 75%.

This chart reviews that status as of the most recent period:



Now the situation is essentially reversed, with 96 systems funded at a ratio greater than 50% and 28 funded at a level above 75%. Only ten systems are funded at a ratio below 50%.

Future Progress

As we have seen, the statutory structure created in the late 1980's to address the unfunded liabilities of the Massachusetts public pension systems anticipates a term of years before those liabilities are fully amortized. Funding schedules adopted pursuant to that statute indicate that today there are three fully funded systems (MassPort, Wellesley, and Minuteman). An additional 17 systems will be fully funded by 2020 (Berkshire – 2016, Adams - 2013, Arlington - 2019, Brockton - 2020, Cambridge - 2015, Concord - 2012, Dedham - 2020, Fairhaven - 2019, Greater Lawrence - 2018, Leominster - 2015, Lexington - 2015, MHFA - 2013, Milton - 2016, Montague - 2015, Stoneham - 2020, Watertown 2017 and Winthrop - 2019). Twenty-three more will be fully funded by 2023 (Weymouth – 2021, Plymouth - 2022, Northbridge - 2022, Chicopee - 2021, Boston – 2023, Bristol – 2023, Marblehead – 2023, Shrewsbury – 2022, Woburn – 2022, Needham – 2021, Dukes – 2023, Attleboro – 2022, Marlborough - 2022, Maynard - 2023, Melrose - 2021, Quincy - 2023, Saugus - 2022, Somerville - 2022, Taunton - 2022, Winchester - 2021, Worcester - 2023, State

Forty-three of the Massachusetts public pension plans, including several of the largest (Boston, Cambridge, State and Teachers), will be fully funded within 15 years, well before the maximum time period allowed by law of 2028. All Massachusetts public pension systems will be fully funded by that deadline.

- 2023 and Teachers - 2023).

A recent study, by Alicia Munnel of the Boston College Center for Retirement Research, concluded that of the factors that affect the funded status of a plan, "The

key issue is whether the sponsor has a funding plan and is sticking to it."

The message from this data is clear – stay the course and be as aggressive as possible. The statute is working as it was designed.

Comparison to Actions of Other Jurisdictions

In Massachusetts, several benefit structure changes have taken place that have added liability to the pension system while contributing to other governmental goals. These have included early retirement incentive programs, Retirement Plus, and pension holiday legislation. However, in comparison to the action of other jurisdictions, the Massachusetts experience has been one of restraint and measured progress.

As noted above, the Wisconsin Study reviewed 85 public pension plans, 68 of which also participate in Social Security. Benefit comparisons with Massachusetts systems must recognize that fact. The benefit formula is: years of service x formula multiplier x final average salary. In Massachusetts, for a Group 1 employee retiring at 65, the multiplier is 2.5%. It is reduced .1% for each year between 55 and 65. However, it is critical that policymakers understand that in the 68 plans that also provide Social Security benefits, the formula multiplier varies from 1.3% to 2.1%. Thirty-two of the 60 Social Security plans that are not money purchase plans or in which the employer determines the formula, provide a multiplier of 1.9% or greater. Thus, the benefit provided in addition to Social Security in the majority of those plans is virtually as generous as the benefit provided without Social Security to the average Massachusetts employee at age 60. Under some circumstances, the multiplier is as high as 3.5%.

The Study also underscores the difference between our system and those surveyed in employee contribution rates, limitations on benefits, vesting, and COLAs. Again, keep in mind, that most of the systems surveyed provide Social Security coverage as well as the defined benefit.

The Massachusetts contribution rate for new hires is greater that that of all systems surveyed with the exception of Missouri PSRS (12%) and Illinois TRS (9.4%). Factoring the 2% extra contribution on an amount in excess of \$30,000 makes our contribution rate higher than all but Missouri PSRS. Florida FRS, Michigan SERS, Missouri SERS, Tennessee CRS, Utah SRS, and Milwaukee County require no employee contribution. Twenty-eight of the plans require a contribution rate that is at or below the level made by Massachusetts employees hired prior to 1975 (5%).

Massachusetts caps the retirement benefit at 80% of final average salary. In the majority of plans surveyed in the Wisconsin Study, there is no maximum benefit limit imposed. In 13 systems, the limit is 100% of the final average salary.

In order to be eligible for a retirement benefit (vest) in Massachusetts, an employee must have 10 years of creditable service. In the systems surveyed, 67 of the 85 have vesting requirements lower than that of Massachusetts and 63 have a requirement of 5 years or less.

Another element of the plan in which Massachusetts is dramatically less generous than most other systems is cost of living increases (COLAs) after retirement. Again, the Social Security component of the benefit in 68 of the plans surveyed will receive a COLA under Social Security. Thirty-eight of the 85 plans provide an automatic COLA indexed to the CPI. Another 23 plans have an automatic increase. In Massachusetts, a COLA is ad hoc based on the annual actions of the Legislature or the retirement board. However, most significantly in Massachusetts, the COLA is capped at a maximum of 3% of the first \$12,000 in the retiree's benefit. According to the study, Massachusetts is the only plan with such a limit.

Beyond these structural differences which clearly demonstrate that the Massachusetts plan is not overly generous, other jurisdictions have taken recent actions that established a level of benefits far in excess of that available in the wildest imagination of the most vociferous critic of the Massachusetts system.

Houston, San Diego, and Milwaukee County are a few of the jurisdictions that adopted so called "DROP" (Deferred Retirement Option Plan) plans for their employees. Under such a plan, a member can freeze his or her benefit at a certain level and continue working. During the period between the freezing of the benefit and retirement, the retirement benefits are paid into a separate account and upon retirement, the employee receives a lump sum as well as a regular retirement benefit going forward.

In Milwaukee, the DROP account was credited with a 2% annual COLA and 9% interest compounded monthly. In several instances, this arrangement provided for lump sum payments in excess of a million dollars. In addition, Milwaukee provided a 25% pension bonus for employees hired prior to 1982.

In San Diego, pension trustees, in exchange for reducing the City's annual appropriation, established a DROP plan. Ultimately, the plan was made permanent. In addition, changes were made that allowed retirement benefits to exceed 100% of salary and employees were allowed to purchase up to five years of creditable service. The latter benefit, that is purchasing additional service without having been employed during the years purchased, is available in other jurisdictions as well. Criminal prosecutions are ongoing as a result of the San Diego Board's actions.

Conclusion

Although this review represents a departure from previous practice, it is my hope that it will provide context and perspective for those who may not be familiar with the reality and the history of the public pension system in Massachusetts. The Commission is not blind to the need to make changes in our retirement law. It has sponsored legislation to reform the administration of the system to increase transparency, assure accountability, and improve management (House 4011). In addition, the Commission has adopted regulatory amendments to address confusion relative to regular compensation, supported enhancement in the COLA, and taken strict action in cases where board members have violated the trust of the system members. We acknowledge that, in some areas, the law may be unclear or anachronistic, and we will work with those that seek responsible and appropriate reforms. However, as this review points out, the core of the retirement system is fair not only to employees, but to taxpayers as well.

Joseph E. Connaction

Sincerely,

Joseph E. Connarton Executive Director

2007 FINANCIAL MARKET & RETIREMENT DOARD PERFORMANCE REVIEW

ptimism was rampant during the first half of 2007 as major equity market indices reached new highs and nothing but blue skies appeared on the horizon. However, the outlook became cloudy in May when problems in sub-prime mortgages began to surface. By the summer, a full fledged credit crunch emerged as continued weakness in the housing market and troubles with mortgage-backed securities spilled over into the broader credit markets. As the year came to an end, it was apparent that the mortgage crisis had spawned the most serious financial crisis since the savings and loan debacle of the 1980s. As investors began to worry about a possible recession, US equities finished well off their highs.

Equity Market

For the year, the US equity market registered belowaverage 12-month returns but did so with volatility that was the highest in several years. The broad market (DJ Wilshire 5000 Index) was up 5.7%, but this masked a huge differential between large and small cap stocks. Large caps (S&P 500) enjoyed a 12-month total return of 5.5% and mid caps (S&P 400) did even better at 8.0%. In times of economic uncertainty, investors generally favor the greater earnings stability of larger companies and these companies are also generally benefiting more from the stronger growth being experienced by foreign economies. In a decisive reversal of small caps' decade-long outperformance, these fundamental factors contributed to the Russell 2000 registering a 1.6% decline for the year.

Reflecting strong growth as well as many successful new product introductions and innovations, technology staged a successful comeback in 2007 as the NASDAQ Composite rose 9.8%, this market's best return since 2003.

In another decisive reversal of a longstanding trend, growth handily outperformed value. According to the Russell indices, the 12-month differential was 12% in large caps and nearly 17% in small caps. Most of the year's worst performing sectors were in the value tent.

The year's best performing sectors included utilities

and consumer staples — sectors that would be expected to hold up well during a period of economic slowdown. The lagging sectors included some that are most vulnerable to economic weakness in general and housing problems in particular, such as financials and consumer-related sectors including retail. Among the S&P 500's major sectors, energy and materials were up 32% and 20%, respectively, while financials and consumer discretionary lost 21% and 14%, respectively.

Reflecting the sharp disparity in industrial sector returns, there were unusually wide differentials in the performance of individual stocks. Among the Dow Industrial stocks, Merck, McDonalds, Honeywell, and Intel all enjoyed yearly gains in excess of 30%, while AIG (-18.6%), Home Depot (-32.9%), and Citigroup (-47.1%) were big disappointments. Among other stocks, Google (+50.2%), Amazon.com (+134.8%), and Apple (+133.5%) had stellar years while Merrill Lynch (-42.3%), E-Trade (-84.2%), Countrywide Financial (-78.9%), and MBIA (-74.5%) suffered major declines that were impacted by subprime mortgage investments. The CEOs of Citigroup and Merrill Lynch were two of the most notable casualties of the enfolding meltdown in mortgage-related securities.

For the fifth consecutive year, world stock markets outperformed the US but performance was far from uniform. Many European markets were hampered by spillover effects of the US credit crunch and troubled subprime mortgages. Only Germany, buoyed by strong exports, bucked the trend and enjoyed a stellar year. In Asia, Japan was still mired in economic malaise but China and India posted sizeable gains as their economies showed robust growth and were unaffected by the US problems. Led by Brazil, most Latin American markets enjoyed strong years, fueled in part by a worldwide commodity boom. For the year, the MSCI-EAFE Index was up 11.2% in dollar terms while the MSCI Emerging Markets Index was up 39.4%. Annualized returns for the trailing five years were 21.6% for MSCI-EAFE, 37.0% for MSCI-EM, and 12.8% for the S&P 500.

The decline in the dollar contributed to the strong gains in non-US stocks. In local currency terms, last

year's returns for MSCI-EAFE and MSCI-EM (reported above) would have been reduced to 3.5% and 33.2%, respectively. With the credit crunch — and the lower interest rates engineered by the Fed in response to it — aggravating an ongoing trend, the dollar had one of its worst years ever in 2007, falling to its lowest level in a decade according to the Fed's trade-weighted index. The dollar fell to a record low against the Euro (having declined over 60% over the past five years vs this currency), a 26-year low against the British pound, and a level not seen in a century vs the Canadian dollar.

Bond Market

For the first time since 2002, Treasury securities outperformed the S&P 500. This was largely a manifestation of investors' flight to quality as most other segments of the fixed income market were negatively impacted by the subprime mortgage debacle, regardless of the actual extent, if any, that the credit of the securities in question was actually affected. While the yield on the benchmark 10-year Treasury note fell to 4.03% at year-end compared to 4.71% a year earlier (and from 4.58% at the end of the third quarter), the yield spread between corporate bonds and Treasuries widened by over 1% despite the absence of any overall deterioration in corporate balance sheets or leverage ratios. High yield "junk" bonds were particularly impacted as yield spreads over Treasuries widened over 2.5% to nearly 6% and new issuance slowed to a trickle.

Thus, while the Lehman Brothers Aggregate Index rose 7.0% for the year, Treasuries gained about 9% for the year while junk bonds struggled to return about 2%. The annualized five-year return for the Lehman Aggregate was 4.4%.

In the short end of the market, Treasury bill rates fell as the Federal Reserve lowered the federal funds rate by 1% in three moves over the second half of the year, but the market remained weak for any securities that carried either real or perceived credit risk. Many large institutions struggled with a severely impacted market for Structured Investment Vehicles (SIVs), a form of commercial paper used to finance long-term investments, including mortgage securities.



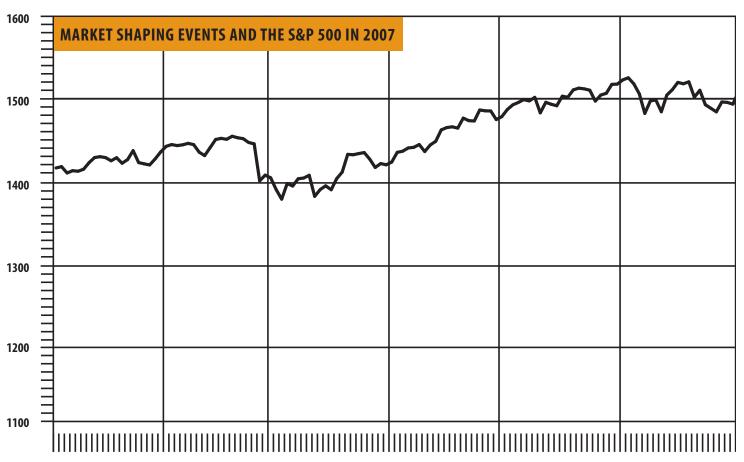
Other Asset Classes

2007 was one of the most painful years in memory for residential real estate but it was also the year that the market for previously strong commercial real estate also began to soften. With credit tightening, commercial property values declined for the first time in several years and the market could continue to soften as slower economic growth puts a cap on

rent increases. The first rise in office vacancy rates in four years was recently announced. Going forward, however, the outlook for commercial real estate remains favorable since none of its major sectors — office, apartment buildings, shopping centers, hotels, etc — has seen overbuilding. After a run of extraordinary returns, publicly-traded REITs suffered an inevitable correction, falling 15.7% in 2007. (Even

with the loss, the market's 5-year average annualized return was 18.2%.) In contrast, the NCREIF Index for private real estate returned a positive 15.8%, down only modestly from the 16.6% return for 2006.

The booming private equity market was seen as one of the driving forces behind the stock market's first half strength but the market slowed considerably



JAN 3 1416.60 JAN 31 1438.24



- Democratic-controlled Congress convenes. Nancy Pelosi is first woman speaker.
- Apple, Inc., introduces the iPhone, due to go on sale in
- President Bush announces "surge" strategy for Iraq.
- Ford Motor Company announces its worst loss ever.

FEB 1

FFB 28 1406 82



1445.94

- Concerns rise over the housing market as vacant homes for sale surge to a 40-year high.
- Shares of mortgage lenders plunge as subprime delinquencies surge.
- DaimlerChrysler posts a 40% drop in profit.
- The Dow falls 416 points on February 28, after the Shanghai market declined 9%, signaling investors' re-evaluation of risk.

MAR 30



- Funding tightens for subprime mortgage lenders as concerns
- Blackstone Group, a private equity giant, files for an IPO.

APR 2 1424.55



- 32 people die at Virginia Tech, the worst mass murder in US
- For the first time, Toyota surpasses GM in quarterly worldwide sales.
- Spurred by strong corporate profits, the Dow closes above 13,000 for the first time on April 26.

MAY

MAY 1 1486.30 MAY 31 1530.62



DaimlerChrysler sells an 80% stake to private equity firm Cerberus Capital Management.

JUNE JUN 1

1503.35 JUN 29 · US Treasury bond yields rise

1536.34



to a 5-year high as inflation

mortgages. Concerns also rise over the safety of various Chinese

imports.

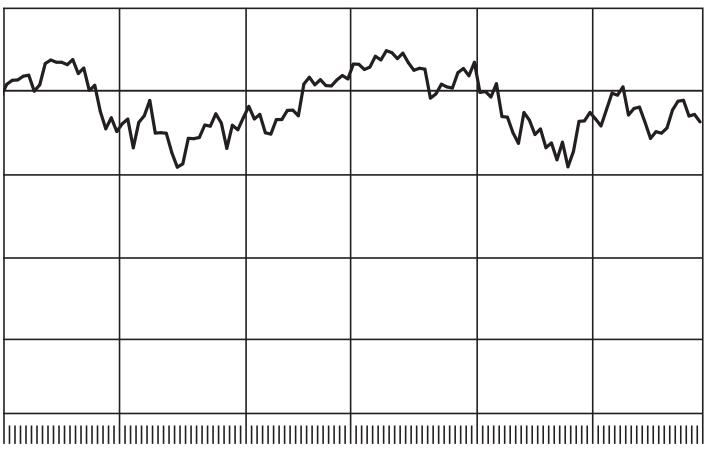


during the second half as higher interest rates and growing risk aversion by lenders put a crimp in deal making. Reflecting the changed market conditions, the private equity giant Blackstone Group successfully went public in June but its stock was off almost 30% by year-end. In terms of new investments made, 2007 was also one of the best years of the decade for venture capital. The industry also benefited from an

improved market for Initial Public Offerings. Composite 2007 benchmark returns for private equity/venture capital are not yet available but, through the end of the third quarter, Cambridge Associates' twelve month benchmark returns were 23.1% for venture capital and 29.9% for private equity.

Hedge funds weathered a summer storm when a

small number of funds (e.g., Sowood Capital, two Bear Stearns funds) collapsed as a result of ill-fated investments in subprime mortgages and a larger number of quantitatively-focused funds faced at least temporary losses when their models failed to successfully navigate the unexpected effects of the credit crunch. Nevertheless, on the whole, the volatility in the markets created opportunities for impressive



JUL 2 **JUL 31**

1519.43 1455.27



- subprime mortgage securities.
- Dow Jones board votes to accept News Corp offer.
- The two troubled Bear Stearns hedge funds are declared virtually worthless.
- Boosted by strong corporate earnings growth, the Dow finishes above 14,000 for the first time
- Apple's profit surges but that of Countrywide Financial (the country's largest mortgage lender) falls sharply.

AUGUST

AUG 1 AUG 31

1465.81 1473.99





- Stocks tumble as credit crisis fallout intensifies. Central banks make cash injections.
- Concerns grow that the US credit crunch could spur a global economic slowdown.
- On August 18, Fed acts to cut the discount rate by 50 basis points and to encourage bank borrowing.
- In a flight to quality, short-term Treasury yields plummet.
- Seeking to bolster investor confidence, Bank of America makes a \$2 billion investment in Countrywide
- Attorney General Alberto Gonzales, Senator Larry Craig, and Michael Vick have bad days.

SEP 28





- In an aggressive move reflecting concern over credit market fallout, the Fed cuts the federal funds rate by 50 basis points to
- Following a strike by auto workers, GM sets up a \$30 billion health care trust.

1547.04 **OCT 31** 1549.38



- Swiss bank UBS AG announces mortgage-related writedown of \$3.4 billion
- Citigroup announces a 57% drop in profit after major writedowns. Its CEO resigns in
- Following an \$8.4 billion writedown, Merrill Lynch's CEO steps down.
- For the second time in four years, the Red Sox sweep the World Series.

NOV 1 1508.44 **NOV 30** 1481.14



· The Fed cuts the fed funds rate another 25 basis points to

- · For the first time in twenty years, film and TV writers go on
- Increasing fears of a credit squeeze and economic downturn lead to a 10% drop in the Dow from its October 9 peak.
- Seeking to restore investor confidence, Citigroup receives a \$7.5 billion cash infusion from Abu Dhabi government investment arm.
- Crude oil hits a record \$98 per harrel

DECEMBER

DEC 3 1472.42 DEC 31 1468.36



- LIRS announces additional writedowns of \$10 billion, as well as major cash infusions from Asian and Middle
- The Fed reduces the fed funds rate again to 4.25%, but, reflecting disappointment that the cut was not larger, stocks decline over 2% in response.
- After a \$9.4 billion writedown of its mortgage assets, Morgan Stanley receives a \$5 billion investment from a Chinese fund.
- Bear Stearns posts the first loss in its 84-year history. Its CEO would step down in January.
- Stocks fall on last trading day, but for the year, large caps rose (5.5%) for the fifth straight year while small caps declined (-1.6%) for the first time in five years.



profits by many managers. Performance would vary by strategy and manager, but composite hedge fund returns for the year were reported in the 10-12% range, about double the S&P 500's 5.5% return. Overall, hedge fund assets — and institutional participation — continued to grow.

Outlook

Looking back at 2007, the year once again demonstrated the benefits of diversified asset allocation. Retirement boards that were predominantly invested in US stocks and bonds most likely did not achieve their target rates of return last year. Returns for such boards would have been enhanced by meaningful exposure to international equity and particularly to emerging markets. Hedge funds also generally outperformed US stocks and bonds last year, while returns from real estate were mixed. Boards that had investments with top tier alternative investments managers also had a greater chance of meeting their target rates.

The events of 2007 proved the wisdom of former Fed Chairman Alan Greenspan's warning in 2004 that "History has not dealt kindly with the aftermath of protracted periods of low risk premiums". Indeed, some valuable lessons were learned in 2007, starting with the importance and true meaning of liquidity. which has too often been confused with credit. Some of the under-appreciated dangers of some of today's financially-engineered investment products became apparent, not only in how they are rated by the rating agencies by also in how they are valued in the market. Many financial institutions were painfully reminded about the danger of going too far in relaxing conventional lending standards. Most importantly, investors of all types gained a new appreciation of the persistence of risk and the importance of assessing risk premiums before lending money or making an investment.

Retirement Board Review

As of December 31, 2007, the composite asset allocation for the 63 local systems that invested predominantly on their own was: 38.5% Domestic Equity, 15.5% International Equity, 2.4% Emerging Markets, 21.5% Fixed Income (Domestic and International, including TIPS), 1.9% High Yield, 7.8% Real Estate, 0.3% Timber, 3.0% Alternative Investments, 4.7% Hedge Funds, 1.3% Balanced Funds, 1.5% PRIT Core, and 1.5% Cash. Assets in these systems totaled nearly \$15.4 Billion. The composite asset allocation of these systems is similar to reported average asset allocations from national surveys of state and local pension plans. Nevertheless, there is a wide divergence in our local systems' asset allocations compared to the composite levels. For instance, allocations to domestic equity ranged from 11% to 66% and allocations to

international equity ranged from zero (4 systems) to 39%. While several systems had allocations in excess of 10% in real estate, fifteen systems had no explicit exposure to this asset class, including five systems with assets in excess of \$100 million. Forty four systems had at least some exposure to alternative investments, but only 22 of these systems had allocations of at least 2%. Fifteen systems had allocations to emerging markets, 14 systems had explicit allocations to high yield fixed income, and 7 systems invested in timber.

At the beginning of 2007, 26 local systems invested all (or essentially all) of their assets in the PRIT Core Fund. During the year, another 15 systems joined PRIT, either independently or as a result of Chapter 68. Assets of these 41 systems totaled nearly \$5.2 billion at year-end. The asset allocation of that \$53.7 billion fund as of December 31, 2007, was 23.8% Domestic Equity, 19.7% International Equity, 5.9% Emerging Markets, 17.9% Fixed Income (11.5% US Bonds and 6.4% TIPS), 4.5% High Yield, 9.6% Real Estate, 2.0% Timber, 7.4% Alternative Investments, 4.9% Absolute Return (Hedge Funds), and 4.4% Portable Alpha (Hedge Funds). Compared to public funds nationwide, PRIT has below-average allocation to domestic equity and above-average exposure to nontraditional asset classes. In addition to the 41 systems that invested essentially all their assets in the PRIT Core Fund at year-end, 11 systems had partial investments in the PRIT Core Fund (in some cases, representing a significant portion of total assets) and over 40 systems participated in one or more of the PRIT Fund's segmentation options.

Performance for 2007 among the 104 local systems ranged from 4.8% to 16.4%. The median return was 9.7% and the composite return was 11.3%. For the 78 systems that began 2007 investing on their own, the median return was 8.6%. Fifteen of these systems joined the PRIT Fund at various times during 2007, mostly during the latter part of the year. For the 63 systems that still invested on their own at year-end, the median return was 8.5%.

The median return for the local systems that invested totally with PRIT for the entire year approximated that of the Fund itself, which was 11.9%. Internal cash positions or cash flows may have enhanced or subtracted from the returns of individual systems relative to PRIT's basic return. In recent years, a fundamental fact of institutional investing involving endowment funds, foundations, and public and private pension funds is that larger entities have performed decisively better than smaller ones. Indeed, the PRIT Fund's size has enabled it to invest meaningfully in a wider range of asset classes than many of the local systems, and its clout has enabled it to gain access to the top tier of managers in these nontraditional asset classes, particularly in alternative investments. Thus, the PRIT Fund's performance in 2007 was enhanced by its holdings in several asset classes that provided returns greater than those from US stocks or bonds: Alternative Investments, up 39.3%; Timber, up 38.6%; Emerging Markets, up 33.6%; Hedge Funds, up 11.0%; and Real Estate, up 9.1%. Returns from Alternative Investments and Timber reflected PRIT's access to top tier managers in those asset classes.

It's important to emphasize that, although most systems have lagged behind the PRIT Fund, the local systems that invest on their own have, on the whole, still done well. As in previous years, the 2007 median return (8.6%) for the non-PRIT local systems was within the range of the median returns of the public fund medians, such as New England Pension Consultants/ICC, 8.38%, and Wilshire/TUCS, 7.43% (public funds less than \$1 billion) and 8.70% (public funds greater than \$1 billion).

Among the non-PRIT systems that performed best in 2007, some benefited from strong returns from several asset classes in a well diversified portfolio while others had relatively basic asset allocations but enjoyed extraordinary returns from their equity manager. Of the five systems that outperformed PRIT, three did so as a result of their equity manager reaping huge profits from some aggressive sectoral bets and excellent stock selection in the equity market, including underweighting financial stocks and overweighting technology and energy. This manager has had very volatile performance over the years but last year provided the firm's public fund clients with returns of over 20% from domestic equity, compared to the S&P 500's 5.5% rise. One system that outperformed PRIT did so with outstanding performance from domestic and international equity managers as well as from a tactical asset allocation manager, while another system had strong returns from emerging markets and real estate to go along with excellent equity performance. Two of the top ten performing local systems benefited from investing the majority of their assets in the PRIT Fund.

In contrast to the extraordinary equity returns in excess of 20% enjoyed by the best performing local systems last year, the worst performing system registered 2.3% from domestic equity and also had little portfolio diversification. Other systems similarly exemplified the sure-fire formula for poor performance in 2007: insufficient asset class diversification and below-benchmark stock and/or bond returns. Some systems among the worst performers did have reasonably diversified asset allocation but suffered from mediocre performance across the board from their managers.

MASSACHUSETTS CONTRIBUTORY RETIREMENT DOARD PROFILES

Introduction

he Board Profile section of the PERAC Annual Report provides a detailed assessment of some of the important indicators relative to the financial health of the retirement systems. This year's report takes on added importance as there appears to be increasing pressure on policymakers to alter the benefit structure set forth in Chapter 32. The information provided in this report can enable board members to provide factual comment and advice to policymakers as various proposals relative to the retirement law are assessed. Through this and other studies the Commission seeks to provide objective, comprehensive, and accurate data for use by all interested parties.

In assessing investment performance, PERAC relies on the retirement boards to submit accurate and complete information about investment activity. PERAC numbers might differ from those provided to a board by its consultant because PERAC measures all assets, including monies not committed to investment management. In addition, PERAC includes fourth quarter results from real estate and venture capital partnerships that are often not available to consultants until the close of the first quarter of the next year. In Natick, Salem, and Haverhill an issue exists with respect to the valuation of a particular partnership. The Commission has sought clarification of this value from the boards and anticipates a new value to be established prior to the next report.

Asset allocation is once again presented in graph

form. The way a board allocates its assets among the various investment classes available to it has long been recognized as the prime determining factor in the generation of returns.

As always, actuarial information details the fiscal condition of the systems, which can play a direct role on state and local budgets. The funded ratio indicates the extent to which assets cover system liabilities. When the system will pay off its unfunded liability and what type of funding technique is being used are also noted. PERAC has consistently urged boards to conduct annual actuarial valuations in order to provide an up-to-date assessment of the fiscal condition of the system.

In the actuarial area, PERAC approved 55 new funding schedules and completed 23 actuarial valuations in 2007. The valuations complemented the 43 valuations performed by private actuaries. The Actuarial Unit also completed the annual actuarial valuation of the Commonwealth's pension liability. Throughout the year, PERAC responded to legislative and gubernatorial requests for analysis of legislation and made presentations at several forums.

In addition to the information detailed in the Profiles, PERAC, as always, has been busy assisting the boards in other areas. In 2007, 776 medical panel requests were processed and 1,584 comprehensive medical evaluations were conducted. This led to the approval

of 676 disability applications and 109 accidental death claims. Eighty-four medical re-examinations of disability retirees took place and four members were restored to service.

PERAC is responsible for the post retirement monitoring of disabled retirees. One aspect of that task is enforcing the earnings limits set forth in Chapter 32. In 2007, PERAC analyzed 15,350 earnings reports, 4,314 retirees reported earnings and 192 earned in excess of the statutory limits. An additional 148 retirees failed to comply with the reporting requirement. This resulted in the recovery of \$1,611,988.00 in excess earnings and \$1,141,432.00 for non-compliance. Four members returned to work saving an additional \$110,272.80 and 28 waived their allowance saving \$414.266.11.

In 2007 PERAC conducted 40 audits of retirement systems and issued 54 audit reports. In addition, 21 follow-up audits were issued. The major audit issue addressed in 2007 was that of the definition of regular compensation. In general, boards have made a concentrated effort to clear up audit findings and this has been reflected in the follow-up reports as well as the regularly scheduled audits. As always, PERAC audit staff conducted annual seminars on the preparation of the Annual Statement with special emphasis on common audit issues, particularly the treatment of investment income and realized and unrealized losses.

Composite Investment Profile

Commonwealth of Massachusetts

Public Employee Retirement Systems and Pension Reserves Investment Trust





Asset Growth (1998-2007) (Market Value in Billions) \$70 \$60 \$50 \$40 \$30 \$20 \$10 \$0 03 05 07

INVESTMENT

▶ 2007 Return	11.33%
▶ 2007 Market Value	\$68.6 B
▶ 2003-2007 (Annualized)	15.35%
▶ 1985-2007 (Annualized)	10.96%

Adams

Town Hall 8 Park Street, 3rd Floor Adams, MA 01220 Phone 413-743-5575 Fax 413-743-2815

Board Members

Bernard A. Pinsonnault (Chairperson), Mary Beverly, David Clark, Allen Mendel, Francis J. Wojtaszek

Board Administrator

Cheryl J. Lillie

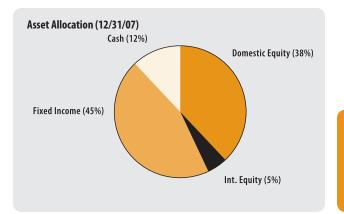
Board Meeting

Fourth Tuesday of each month at 4:00 pm



Investment Return (2003-2007, 5 Year and 23 Year Averages) 14% 12% 10% 8% 6% 4% 2% 0% 03 04 05 06 07 03-07 85-07

Asset Growth (1998-2007) (Market Value in Millions) \$30 \$25 \$20 \$15 \$10 \$5 \$0 03 05 07 99 01



ACTUARIAL

• Funded Ratio	90.7%
Date of Last Valuation	01/06
• Actuary	PERAC
Assumed Rate of Return	8.00%
• Funding Schedule	Level
Year Fully Funded	2013
Unfunded Liability	\$2.4 M
• Total Pension Appropriation (Fiscal 2008)	\$1.1 M

	Active	Retired
 Number of Members 	212	131
 Total Payroll/Benefit 	\$5.8 M	\$1.2 M
 Average Salary/Benefit 	\$27,300	\$9,500
Average Age	47	73
Average Service	10.6 years	NA

INVESTMENT

Domestic Equity

• Boston Private Investors

International Equity

• EuroPacific Growth Fund

Domestic Fixed Income

• Boston Private Investors

Custodian

▶ 2007 Return	7.85%
▶ 2007 Target	8.53%
▶ 2007 Market Value	\$25.8 M
▶ 2003-2007 (Annualized)	8.60 %
▶ 1985-2007 (Annualized)	9.36%

Amesbury

Town Hall 62 Friend Street Amesbury, MA 01913-2825 Phone 978-388-8131 Fax 978-388-6727

Board Members

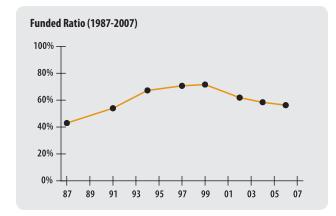
Charles Benevento (Chairperson), Michael Basque, Donna Cornoni, Michael Cronin, Deborah Ventura

Board Administrator

Sheryl Trezise

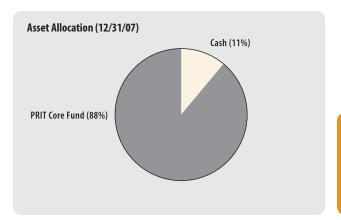
Board Meeting

Last Thursday of each month at 1:30 pm



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Asset Growth (1998-2007) (Market Value in Millions) \$40 — \$35 \$30 \$25 \$20 \$15 \$10 \$5 \$0 99 01 03 05 07



• Fu

• Da Actuary

• Funding Schedule • Year Fully Funded

• Total Pension Appropriation (Fiscal 2008)

UARIAL	
unded Ratio	56.3%
ate of Last Valuation	01/06

Buck • Assumed Rate of Return 8.25% 4.5% Increasing 2026 • Unfunded Liability \$24.7 M \$2.6 M

Active Retired 314 229 • Number of Members • Total Payroll/Benefit \$11.7 M \$3.3 M \$14,600 · Average Salary/Benefit \$37,100 NA 72 • Average Age NANA• Average Service

INVESTMENT

• PRIT

▶ 2007 Return	9.20%
▶ 2007 Target	8.25 %
▶ 2007 Market Value	\$39.3 M
▶ 2003-2007 (Annualized)	12.13%
▶ 1985-2007 (Annualized)	9.34%

Andover

Town Offices 36 Bartlet Street Andover, MA 01810 Phone 978-623-8209 Fax 978-623-8471

Board Members

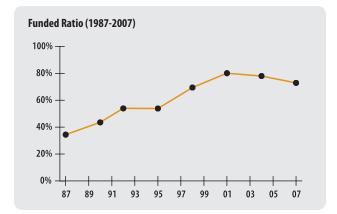
James A. Cuticchia (Chairperson), John C. Doherty, Elena M. Kothman, Rodney P. Smith

Board Administrator

Elena M. Kothman

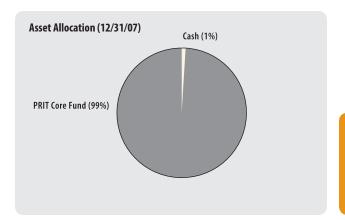
Board Meeting

Last week of each month, day and date vary



Investment Return (2003-2007, 5 Year and 23 Year Averages) 16% 14% 12% 10% 8% 6% 4% 2% 0% 03 04 05 06 07 03-07 85-07

Asset Growth (1998-2007) (Market Value in Millions) \$100 \$90 \$80 \$70 \$60 \$50 \$40 \$30 \$20 \$10 \$0 01 03 05 07 99



ACTUARIAL

• Funded Ratio	73.0%
Date of Last Valuation	01/07
• Actuary	Stone
Assumed Rate of Return	8.00%
Funding Schedule	2.3% Increasing
Year Fully Funded	2026
Unfunded Liability	\$36.9 M
Total Pension Appropriation (Fiscal 2008)	\$4.4 M

	Active	Retired
 Number of Members 	726	352
 Total Payroll/Benefit 	\$30.5 M	\$6.5 M
 Average Salary/Benefit 	\$42,000	\$18,500
• Average Age	47	72
 Average Service 	10.8 years	NA

INVESTMENT

• PRIT

▶ 2007 Return	5.12%
▶ 2007 Target	8.50%
▶ 2007 Market Value	\$95.7 M
▶ 2003-2007 (Annualized)	9.32%
▶ 1985-2007 (Annualized)	9.84%

Arlington

869 Massachusetts Avenue, Room 102 Arlington, MA 02476-4701 Phone 781-316-3370 Fax 781-316-3379

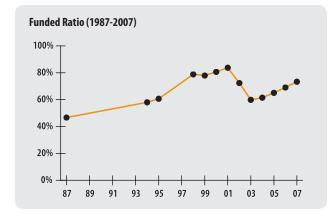
Board Members

John J. Bilafer (Chairperson), Richard Keshian, Ruth Lewis, Emelio Rosselli, Ken Steele

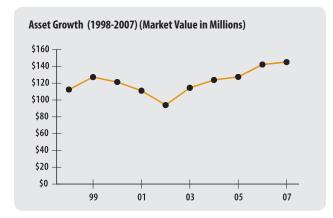
Board Administrator

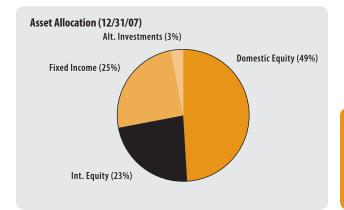
Richard Greco **Board Meeting**

Last Thursday of the month at 4:30 pm



Investment Return (2003-2007, 5 Year and 23 Year Averages) 30% 25% 20% 15% 10% 5% 0% 04 05 06 03-07 85-07 03





ACTUARIAL

• Funded Ratio	73.4%
Date of Last Valuation	01/07
• Actuary	Stone
Assumed Rate of Return	7.75%
• Funding Schedule	2.75% Increasing
Year Fully Funded	2019
Unfunded Liability	\$49.6 M
Total Pension Appropriation (Fiscal 2008)	\$7.3 M

	Active	Retired
 Number of Members 	712	619
 Total Payroll/Benefit 	\$27.1 M	\$12.4 M
 Average Salary/Benefit 	\$38,100	\$20,100
• Average Age	48	NA
Average Service	11.3 years	NA

INVESTMENT

Domestic Equity

- Lotsoff Capital Management
- SSgA S&P 500 Flagship Fund

International Equity

• Barclays EAFE Equity Index Fund

Domestic Fixed Income

- Columbia Management Group, Inc.
- PENN Core High Yield Bond Fund, L.P.

Alternative Investments

- Wilshire Private Markets Fund IV
- Wilshire Private Markets Fund VII

Consultant

Wilshire Associates

Custodian

▶ 2007 Return	4.78%
▶ 2007 Target	7.98 %
▶ 2007 Market Value	\$145.1 M
▶ 2003-2007 (Annualized)	12.23%
▶ 1985-2007 (Annualized)	10.15%

Athol

584 Main Street Athol, MA 01331 Phone 978-249-2642 Fax 978-249-2864

Board Members

ACTUARIAL

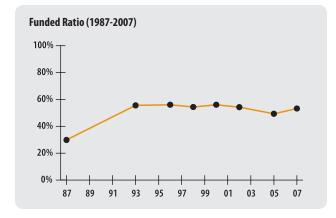
James W. Wright (Chairperson), Andrew Belloli, Gene A. Ferrari, Jr., Brian Stoddard, Joseph Wojtkowski

Board Administrator

Lynne Barilone

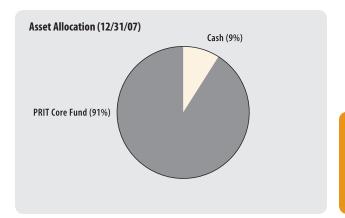
Board Meeting

Last Wednesday of each month at 9:00 am



nvestm	ent F	Return (2	2003-20	07, 5 Yea	er and 23	Year Avei	ages)
14% —							
12% —							
10%							
				,			_
8%							
6% —					\Box		
4%			+	Н	\vdash	-	
2%							
0%							
U70 +	03	04	05	06	5 07	03-0	7 85-07

Asset Growth (1998-2007) (Market Value in Millions) \$18 \$16 \$14 \$12 \$10 \$8 \$6 \$4 \$2 \$0 03 05 07 99



• Funded Ratio	53.3%
Date of Last Valuation	01/07
• Actuary	PERAC
Assumed Rate of Return	8.00%
• Funding Schedule	4.5% Increasing
Year Fully Funded	2027
Unfunded Liability	\$14.6 M
Total Pension Appropriation (Fiscal 2008)	\$1.6 M

	Active	Retired
 Number of Members 	208	141
 Total Payroll/Benefit 	\$6.1 M	\$1.8 M
 Average Salary/Benefit 	\$29,300	\$12,500
Average Age	47	71
 Average Service 	9.4 years	NA

INVESTMENT

• PRIT

▶ 2007 Return	9.91%
▶ 2007 Target	8.50%
▶ 2007 Market Value	\$17.2 M
▶ 2003-2007 (Annualized)	9.42%
▶ 1985-2007 (Annualized)	8.44%

77 Park Street Attleboro, MA 02703 Phone 508-223-2222 Fax 508-223-2063

Board Members

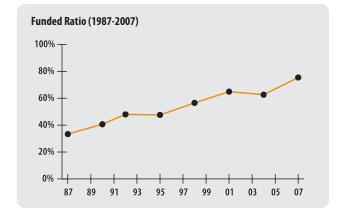
Gary S. Sagar (Chairperson), Richard V. Boucher, James Castro, Vivian Dugas, Deborah C. Gould

Board Administrator

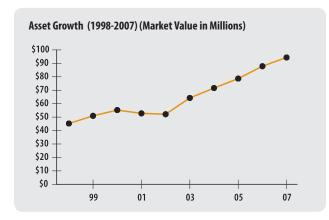
Leslie J. Ring

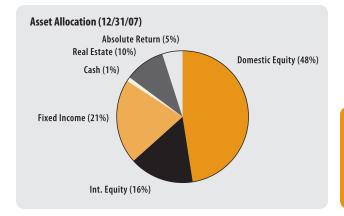
Board Meeting

Varies, usually the last week in the month



Investment Return (2003-2007, 5 Year and 23 Year Averages) 25% 20% 15% 10% 5% 0% 04 05 03-07 85-07 03 06 07





ACTUARIAL

• Funded Ratio	75.5%
Date of Last Valuation	01/07
• Actuary	Buck
Assumed Rate of Return	8.00%
• Funding Schedule	4.3% Increasing
Year Fully Funded	2022
Unfunded Liability	\$29.2 M
• Total Pension Appropriation (Fiscal 2008)	\$4.6 M

	Active	Retired
 Number of Members 	671	405
 Total Payroll/Benefit 	\$24.2 M	\$6.9 M
 Average Salary/Benefit 	\$36,100	\$17,100
• Average Age	NA	73
 Average Service 	NA	NA

INVESTMENT

Domestic Equity

- Boston Advisors, Inc.
- Daruma Asset Management, Inc.
- RhumbLine S&P 500 Pooled Index Fund

International Equity

• Julius Baer International Equity Fund II

Domestic Fixed Income

• Pyramis Core Plus Commingled Pool

Real Estate

- INVESCO Core Real Estate Fund
- INVESCO IRT Equity Real Estate Securities Fund

Absolute Return

• PRIT

Consultant

Segal Advisors

Custodian

▶ 2007 Return	8.31%
▶ 2007 Target	8.50 %
▶ 2007 Market Value	\$94.3 M
▶ 2003-2007 (Annualized)	13.42%
▶ 1985-2007 (Annualized)	10.21%

Barnstable County

750 Attucks Lane Hyannis, MA 02601 Phone 508-775-1110 Fax 508-775-1344

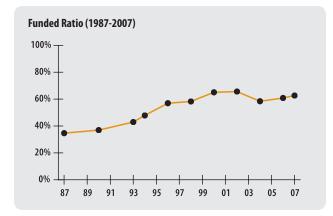
Board Members

E. Mark Zielinski (Chairperson), Mark Foley, Mary J. LeClair, C. Randall Sherman, Karen V. Walden

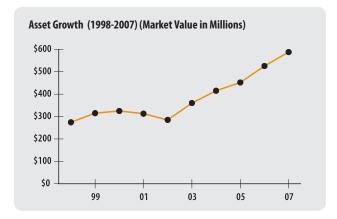
Board Administrator

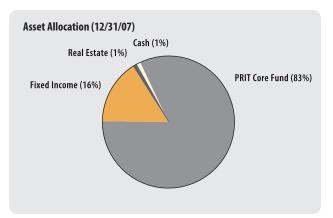
Debra L. Cohen **Board Meeting**

Fourth Tuesday of each month at 9:00 am



Investm	ent Ret	urn (200	3-2007,	5 Year a	nd 23 Yea	ar Averages)
25% —						
20%						
15%						
10%				\blacksquare	_	
5%		\blacksquare		+	-	
0%						
	03	04	05	06	07	03-07 85-07





ACTUARIAL

• Funded Ratio	62.6%
Date of Last Valuation	01/07
• Actuary	Segal
Assumed Rate of Return	8.25%
• Funding Schedule	4.5% Increasing
Year Fully Funded	2028
Unfunded Liability	\$308.5 M
Total Pension Appropriation (Fiscal 2008)	\$34.4 M

	Active	Retired
 Number of Members 	5,314	2,267
 Total Payroll/Benefit 	\$231.4 M	\$37.0 M
 Average Salary/Benefit 	\$43,600	\$16,300
Average Age	46	NA
 Average Service 	9.8 years	NA

INVESTMENT

Fixed Income

• Wellington Trust Co.

Real Estate

- Allegis Value Trust (AVT) Fund
- Intercontinental Real Estate Investment Fund IV, LLC

General Allocation

• PRIT

Consultant

• Segal Advisors

▶ 2007 Return	9.26%
▶ 2007 Target	8.50 %
▶ 2007 Market Value	\$587.4 M
▶ 2003-2007 (Annualized)	12.82%
▶ 1985-2007 (Annualized)	8.64%

Belmont

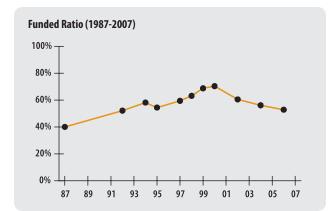
P.O. Box 56, Town Hall 455 Concord Avenue Belmont, MA 02478-0900 Phone 617-484-8560 Fax 617-993-2793

Board Members

Rosario A. Sacco (Chairperson), Thomas F. Gibson, Barbara E. Hagg, Peter Palandjian, Walter D. Wellman

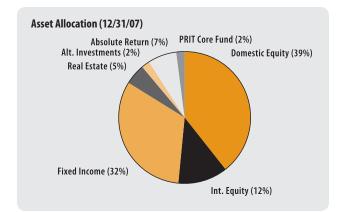
Board Administrator Marion E. Coté **Board Meeting**

Varies



Investment Return (2003-2007, 5 Year and 23 Year Averages) 25% 20% 15% 10% 5% 0% 04 05 03-07 85-07 03 06 07





ACTUARIAL

• Funded Ratio	52.9%
Date of Last Valuation	01/06
• Actuary	Buck
Assumed Rate of Return	8.25%
• Funding Schedule	4.5% Increasing
Year Fully Funded	2025
Unfunded Liability	\$47.9 M
Total Pension Appropriation (Fiscal 2008)	\$4.8 M

Active	Retired
421	343
\$17.5 M	\$7.1 M
\$41,600	\$20,700
47	NA
9.7 years	NA
	421 \$17.5 M \$41,600 47

INVESTMENT

Domestic Equity

- Atlanta Capital Management Company, LLC
- Wellington Trust Co.-CIF Large Cap Research Value Fund

International Equity

• Julius Baer International Equity Trust Fund

Domestic Fixed Income

• Frontegra Total Return Bond Fund

International Fixed Income

• Delaware Pooled Trust Global Fixed Income Portfolio

General Allocation

• PRIT

Real Estate

• PRIT

Alternative Investments

• PRIT

Absolute Return

• PRIT

Consultant

• New England Pension Consultants

Custodian

▶ 2007 Return	10.72%
▶ 2007 Target	8.29 %
▶ 2007 Market Value	\$62.7 M
▶ 2003-2007 (Annualized)	13.34%
▶ 1985-2007 (Annualized)	10.43%

Berkshire Regional

29 Dunham Mall Pittsfield, MA 01201 Phone 413-499-1981 Fax 413-445-7990

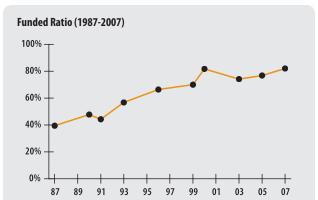
Board Members

Michael Ovitt (Chairperson), Patricia D. Carlino, Deborah Cotter, Gerald Doyle, Jr., Peter Menard

Board Administrator Sheila LaBarbera

Board Meeting

Fourth Thursday of each month



Investmen	nt Return (2003-2007, 5 Year and 23 Year Averages)
30% —	
25%	
20%	
15%	
10%	
5% —	
0%	

Asset Growth (1998-2007) (Market Value in Millions) \$160 \$140 \$120 \$100 \$80 \$60 \$40 \$20 \$0 99 01 03 05 07

▶ Asset Allocation

03

See page 121 for PRIT asset allocation chart.

ACTUARIAL

• Funded Ratio	82.0%
Date of Last Valuation	01/07
• Actuary	PERAC
Assumed Rate of Return	8.00%
• Funding Schedule	4.5% Increasing
• Year Fully Funded	2016
Unfunded Liability	\$25.6 M
 Total Pension Appropriation (Fiscal 2008) 	\$5.8 M

	Active	Retired
 Number of Members 	1,227	634
 Total Payroll/Benefit 	\$33.9 M	\$6.9 M
 Average Salary/Benefit 	\$27,600	\$10,900
Average Age	48	73
Average Service	10 years	NA

INVESTMENT

• PRIT

03-07 85-07

▶ 2007 Return	11.99%
▶ 2007 Target	8.50%
▶ 2007 Market Value	\$147.1 M
▶ 2003-2007 (Annualized)	16.05 %
▶ 1985-2007 (Annualized)	10.76%

Beverly

City Hall 191 Cabot Street Beverly, MA 01915 Phone 978-605-2370 Fax 978-921-8582

Board Members

John F. Lane, Jr. (Chairperson), Crystal Atherton, Carol I. Augulewicz, John Dunn, Clark Mitchell

Board Administrator

Barbara Wells **Board Meeting**

Last Thursday of each month



ACTUARIAL

• Funded Ratio	56.2%
Date of Last Valuation	01/06
• Actuary	PERAC
Assumed Rate of Return	8.00%
• Funding Schedule	4.5% Increasing
Year Fully Funded	2024
Unfunded Liability	\$58.3 M
• • • • • • •	

	Active	Retired
 Number of Members 	578	446
 Total Payroll/Benefit 	\$21.1 M	\$8.5 M
 Average Salary/Benefit 	\$36,500	\$19,100
• Average Age	47	72
Average Service	10.4 years	NA



INVESTMENT

• PRIT

\$90 —			
\$80 📙			_
\$70 🕂			
\$60 +	_		
\$50 +			
\$40 +			
\$30 +			
\$20 🕂			
\$10 丰			

▶ Asset Allocation

See page 121 for PRIT asset allocation chart.

9.26%
8.50 %
\$82.2 M
11.60%
10.12%

Blue Hills Regional

800 Randolph Street Canton, MA 02021 Phone 781-828-5800 Fax 781-828-0794

Board Members

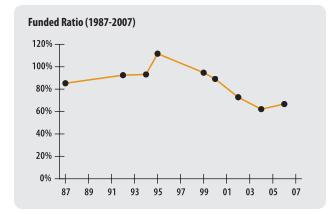
ACTUARIAL

Charles Gisondi (Chairperson), Patricia Brooks, Virginia Frew, Jane Sissons, John Wieliczki

Board Administrator David J. Sullivan

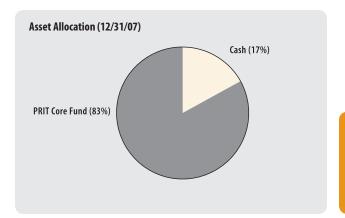
Board Meeting

Last Tuesday of each month at 8:15 am





Asset Growth (1998-2007) (Market Value in Millions) \$7 \$6 \$5 \$4 \$3 \$2 \$1 \$0 07 01 03 05 99



• Funded Ratio	66.7%
Date of Last Valuation	01/06
• Actuary	PERAC
Assumed Rate of Return	8.00%

4.5% Increasing • Funding Schedule • Year Fully Funded 2025 • Unfunded Liability \$3.0 M \$0.3 M

• Total Pension Appropriation (Fiscal 2008)

	Active	Retired
 Number of Members 	44	48
 Total Payroll/Benefit 	\$1.6 M	\$0.6 M
 Average Salary/Benefit 	\$37,500	\$12,000
Average Age	50	75
Average Service	12.7 years	NA

INVESTMENT

• PRIT

▶ 2007 Return	11.96%
▶ 2007 Target	8.50 %
▶ 2007 Market Value	\$7.0 M
▶ 2003-2007 (Annualized)	15.96 %
▶ 1985-2007 (Annualized)	10.23%

Boston

City Hall Room 816 Boston, MA 02201 Phone 617-635-4305 Fax 617-635-4318

Board Members

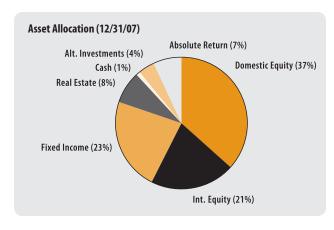
Lawrence R. Curran (Chairperson), Sally D. Glora, John Perkins, Mitchell Weiss, **Edward Welch**

Board Administrator Robert E. Tierney **Board Meeting** Monthly, date varies



Investment Return (2003-2007, 5 Year and 23 Year Averages) 20% 15% 10% 5% 0% 03 04 05 06 07 03-07 85-07





ACTUARIAL

• Funded Ratio	64.4%
Date of Last Valuation	01/06
• Actuary	Segal
Assumed Rate of Return	8.00%
• Funding Schedule	4.5% Increasing
Year Fully Funded	2023
Unfunded Liability	\$2.1 B
Total Pension Appropriation (Fiscal 2008)	\$233.8 M

	Active	Retired
 Number of Members 	20,917	13,783
 Total Payroll/Benefit 	\$1.1 B	\$326.2 M
 Average Salary/Benefit 	\$53,300	\$23,700
Average Age	45	NA
Average Service	13 years	NA

INVESTMENT

Domestic Equity

- Boston Company
- Enhanced Investment Technologies (INTECH)
- J&W Seligman & Company, Inc.
- RhumbLine S&P 500 Pooled Index Fund
- SSgA Russell 2000 Growth Fund
- SSgA Russell 3000 Index SL Fund
- SSgA Russell 3000 Index Plus SL Fund
- Westfield Capital Management Company, LLC
- Zevenbergen Capital

International Equity

- Alliance Bernstein Emerging Markets Value
- Boston Company International Equity Fund
- Fisher Investments Foreign Equity Fund
- PanAgora Asset Management
- · Vontobel Asset Management

Domestic Fixed Income

- Fountain Capital Management, LLC
- Richmond Capital Management
- SSgA Passive Bond Market Index SL Fund
- Wells Capital Management, Inc.

International Fixed Income

· Loomis, Sayles & Company, L.P.

Real Estate

- AEW Partners V. L.P.
- Arsenal Real Estate Fund IA, L.P.
- Capmark Investments / GMAC Commercial Realty Partners II, L.P.
- Hearthstone-MSII Homebuilding Investors
- Hearthstone Multi-State Residential Value Added Fund III
- Heitman Real Estate Fund IV
- INVESCO Core Real Estate Fund

- J.P. Morgan Special Situation Property Fund
- LaSalle Income & Growth Fund II, III, & V
- Prudential Real Estate Investors (PRISA) Fund
- Prudential Real Estate Senior Housing Partners
- Urdang Value Added Fund II

Alternative Investments

- Ascent Venture Partners III. L.P.
- Audax Mezzanine Fund, L.P.
- · Audax Mezzanine Fund II
- Blue Point Capital Partners, L.P.
- Blue Point Capital Partners II, L.P.
- Boston Millennia Partners II, L.P.
- · Commonwealth Capital Ventures III
- Copley Partners I & II
- European Strategic Partners I, L.P.
- Evercore Capital Partners II, L.P.
- Evercore METC Capital Partners II, L.P.
- J.W. Childs Equity Partners III, L.P.
- Lexington Capital Partners V & VI, L.P.
- Lexington Middle Market Investors, L.P.
- Monitor Clipper Equity Partners, L.P.
- MPM BioVentures III & IV, L.P.
- New England Growth Fund I & II, L.P.
- Prudential Capital Partners, L.P.
- Prudential Capital Partners II
- Sanderling Venture Partners V & VI
- SCP Private Equity Partners II, L.P.
- Siguler Guff Distressed Opportunities Fund
- Siguler Guff Distressed Opportunities Fund II
- Standard Life European Strategic Partners Fund
- Sterling Capital Partners, L.P.
- Sterling Capital Partners II & III
- Sterling Venture Partners, LLC

Boston (cont.)

► INVESTMENT (CONT.)

- TH Lee Putnam Parallel Ventures, L.P.
- Thomas H. Lee Equity Advisors IV, LLC
- Thomas H. Lee Equity Fund V & VI, L.P.
- Thomas Weisel Global Growth Partners II
- Vanguard VI Annex Fund, L.P.
- Vanguard VII, L.P.
- Venture Lending & Leasing III, IV, & V

Hedge Fund

- A&Q Diversified Neutral Alpha Limited
- Arden Endowment Advisors Fund
- Federal Street Associates Offshore Fund, Ltd.
- GAM U.S. Institutional Diversity Fund
- IVY Asset Mgmt—Maplewood Associates II, L.P.
- Mesirow Absolute Return Hub Fund
- Permal Fixed Income Holdings N.V.

Commission Recapture

- Donaldson & Company
- Lynch, Jones & Ryan
- Pension Fund Evaluations

Consultant

• New England Pension Consultants

Custodian

▶ 2007 Return	10.39%
▶ 2007 Target	8.73%
▶ 2007 Market Value	\$4.5 B
▶ 2003-2007 (Annualized)	13.71%
▶ 1985-2007 (Annualized)	10.43%

Braintree

74 Pond Street Braintree, MA 02184 Phone 781-794-8210 and 8211 Fax 781-794-8407

Board Members

Gerald J. Kenny, Jr. (Chairperson), Phyllis DiPalma, Edward Dowd, Paul McSoley, Frederick Viola

Board Administrator

Jeanne Martineau **Board Meeting**

Fourth Wednesday of each month



ACTUARIAL

• Funded Ratio	71.6%
Date of Last Valuation	01/06
• Actuary	Stone
Assumed Rate of Return	7.88%
• Funding Schedule	2.0% Increasing
Year Fully Funded	2026
Unfunded Liability	\$47.6 M
Total Pension Appropriation (Fiscal 2008)	\$6.2 M

	Active	Retired
 Number of Members 	719	501
Total Payroll/Benefit	\$30.9 M	\$9.6 M
 Average Salary/Benefit 	\$42,900	\$19,200
Average Age	48	74
Average Service	11.5 years	NA



INVESTMENT

Domestic Equity

• SSgA S&P 500 Flagship Fund

Domestic Fixed Income

- Loomis Sayles Investment Grade Fixed Income Fund
- SSgA Passive Bond Market Index SL Fund

International Equity

• Boston Company Non-US Value Equity Fund

Real Estate

• PRIT

General Allocation

• PRIT

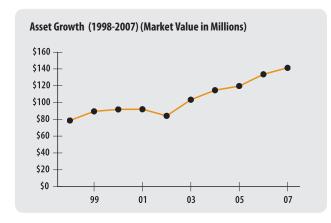
Absolute Return

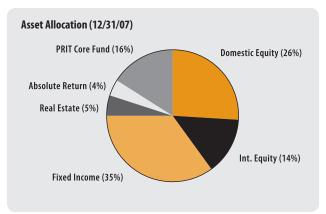
PRIT

Consultant

• New England Pension Consultants

Custodian





▶ 2007 Return	7.82%
▶ 2007 Target	8.00%
▶ 2007 Market Value	\$141.3 M
▶ 2003-2007 (Annualized)	12.92%
▶ 1985-2007 (Annualized)	9.97%

Bristol County

County Crossing 645 County Street Taunton, MA 02780 Phone 508-824-4029 Fax 508-880-8749

Board Members

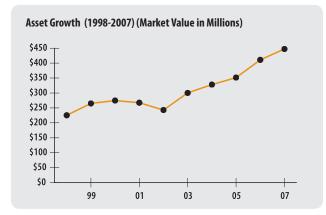
Kevin J. Finnerty (Chairperson), William M. Downey, Edward F. Iacaponi, Stephen J. Rivard, Christopher T. Saunders

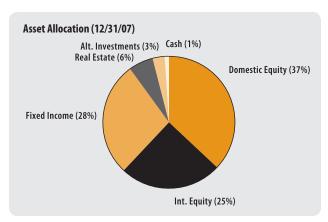
Board Administrator

John L. Walsh **Board Meeting**Last Thursday of each month



Investm	ent R	eturn (20	03-2007	, 5 Year a	nd 23 Yea	ar Averages)
25% —						
20%	-					
15%	-					
10%	$\left\{ \cdot \right\}$			+		
5% —	-			+	+	
0% +	03	04	05	06	07	03-07 85-07





ACTUARIAL

• Funded Ratio	65.8%
Date of Last Valuation	01/07
• Actuary	Buck
Assumed Rate of Return	8.50%
• Funding Schedule	4.5% Increasing
Year Fully Funded	2023
Unfunded Liability	\$203.1 M
Total Pension Appropriation (Fiscal 2008)	\$27.4 M

	Active	Retired
 Number of Members 	4,022	1,956
 Total Payroll/Benefit 	\$147.0 M	\$30.3 M
 Average Salary/Benefit 	\$36,500	\$15,500
• Average Age	NA	72
Average Service	NA	NA

INVESTMENT

Domestic Equity

- Earnest Partners, LLC
- INTECH Large Cap Growth Equity Fund
- LSV Asset Management
- Rice Hall James & Associates
- UBS US Large Cap Equity Fund

International Equity

- Arrowstreet Capital, L.P.
- Lazard Emerging Markets Equity Portfolio
- Voyageur International Fund

Domestic Fixed Income

- Income Research & Management
- PIMCO Diversified Real Return Fund
- SSgA Passive Bond Market Index SL Fund

International Fixed Income

• Delaware Pooled Trust Global Fixed Income Portfolio

Real Estate

- BlackRock Apartment Value Fund III, L.P.
- Hancock ForesTree IV & V, L.P.
- New Boston Institutional Fund, L.P. VI
- RREEF America REIT II
- SSgA Tuckerman / Residential Income and Value Added (RIVA) Fund
- TA Realty Associates Fund VII

Alternative Investments

- BlackRock Diversified Private Equity Program III
- Charles River Partnership VII, VIII, IX, X, XI
- DCM Private Equity Fund II
- DN Partners, L.P.
- DN Partners II, L.P.
- New England Growth Fund II, L.P.
- Senior Tour Players Fund I

Consultant

RogersCasey

Custodian

▶ 2007 Return	7.52%
▶ 2007 Target	8.50 %
▶ 2007 Market Value	\$447.2 M
▶ 2003-2007 (Annualized)	12.35%
▶ 1985-2007 (Annualized)	10.22%

Brockton

15 Christy's Drive Suite 2 Brockton, MA 02301-1813 Phone 508-580-7847 Fax 508-559-0559

Board Members

William R. Farmer (Chairperson), Heidi A. Chuckran, Stephen Frederick, Edward P. Mack, William E. Parlow

Board Administrator

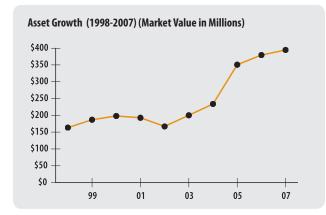
Harold P. Hanna, Jr.

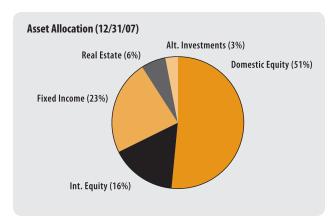
Board Meeting

Usually a day in last two weeks of month



Investr	nent R	eturn (200	3-2007,	5 Year a	nd 23 Ye	ar Averages)
30%						
25%						
20%	+					
15%	+					
10%	+			+		
5% –	-		+	+		
0%			Ш,			
	03	04	05	06	07	03-07 85-07





ACTUARIAL

• Funded Ratio	89.2%
• rullueu Katio	69.2%
Date of Last Valuation	01/07
• Actuary	Buck
Assumed Rate of Return	8.00%
• Funding Schedule	2.5% Increasing
Year Fully Funded	2020
Unfunded Liability	\$45.3 M
Total Pension Appropriation (Fiscal 2008)	\$10.6 M

	Active	Retired
 Number of Members 	1,843	1,233
 Total Payroll/Benefit 	\$72.3 M	\$27.0 M
 Average Salary/Benefit 	\$39,200	\$21,900
• Average Age	NA	74
Average Service	NA	NA

INVESTMENT

Domestic Equity

- Boston Company Asset Management
- ICC Capital Management, Inc.
- ICON Advisers, Inc.
- Independence Investments LLC
- Wellington Trust Co.-CIF Mid Cap Growth Portfolio
- Valley Forge Asset Management Corporation
- Voyageur Asset Management Inc.

International Equity

- Acadian International Small Cap Fund
- Boston Company Emerging Markets Pooled Fund
- Voyageur International Fund

Domestic Fixed Income

- Loomis, Sayles & Company, L.P.
- Voyageur Asset Management Inc.

International Fixed Income

- Delaware Pooled Trust International Fixed Income Portfolio
- · Lazard Emerging Income Fund

Real Estate

- Arsenal Real Estate Fund IA, L.P.
- BlackRock Apartment Value Fund III, L.P.
- Duff & Phelps Real Estate Securities Trust
- Intercontinental Real Estate Investment Fund IV, LLC

- · New Boston Institutional Fund, L.P. VI
- SSgA Tuckerman / Residential Income and Value-Added (RIVA) Fund
- TA Realty Associates Fund VI

Alternative Investments

- Ascent Venture Partners II, III, IV L.P.
- Boston Capital Ventures II & III
- Charlesbank Equity Fund V
- · HealthPoint Partners, L.P.
- INVESCO Non-U.S. Partnership Fund III, L.P.
- Levine Leichtman Capital Partners Deep Value Fund, L.P.
- New England Growth Fund II, L.P.

Commission Recapture

- Abel Noser Corporation
- Capital Institutional Services
- · Donaldson & Company
- Fleet Institutional Trading
- · Lynch, Jones & Ryan
- Merrill Lynch
- Patterson Securities, Inc.
- Trading Partners

Consultant

• Evaluation Associates, LLC

Custodian

8.00%
\$394.7 M
13.16%
10.47 %

Brookline

Town Hall 333 Washington Street Brookline, MA 02445 Phone 617-730-2028 Fax 617-730-2298

Board Members

James J. Riley (Chairperson), Gary Altman, Stephan E. Cirillo, Judith A. Haupin, Robert J. Ward

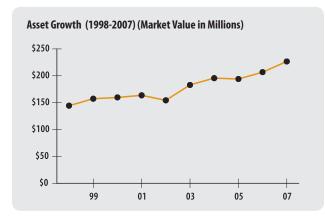
Board Administrator Frank J. Zecha

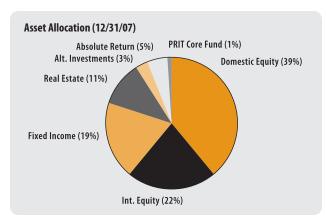
Board Meeting

Varies



Investr	nent l	Return (2	2003-2007	7, 5 Year a	and 23 Y	ear Averages)
25% —						
20%						
15%						
10%				_		
5%						
0%						
,	03	04	05	06	07	03-07 85-07





ACTUARIAL

• Funded Ratio	63.7%
Date of Last Valuation	01/06
• Actuary	Segal
Assumed Rate of Return	8.25%
• Funding Schedule	4.5% Increasing
Year Fully Funded	2026
Unfunded Liability	\$108.5 M
Total Pension Appropriation (Fiscal 2008)	\$11.4 M

	Active	Retired
 Number of Members 	1,440	817
 Total Payroll/Benefit 	\$54.4 M	\$17.1 M
 Average Salary/Benefit 	\$37,800	\$20,900
• Average Age	41	NA
Average Service	10.1 years	NA

INVESTMENT

Domestic Equity

- Champlain Small Cap Fund, LLC
- Earnest Partners, LLC
- Enhanced Investment Technologies (INTECH)
- Rothschild Small Cap Fund
- SSgA S&P 500 Flagship Fund

International Equity

- Driehaus International Small Cap Growth Fund
- SSgA Daily EAFE Securities Lending Fund

Domestic Fixed Income

- Loomis Sayles Institutional High Income Fund
- SSgA Passive Bond Market Index Fund
- SSgA Treasury Inflation Protected Securities (TIPS) Fund

Real Estate

- AEW Value Investors II, L.P.

Alternative Investments

- HarbourVest Partners VII Buyout Partnership
- HarbourVest Partners VII Mezzanine & Distressed Debt Fund L.P.
- HarbourVest Partners VII Venture Partnership
- HarbourVest Partners VIII Buyout Fund L.P.
- HarbourVest Partners VIII Mezzanine &

Distressed Debt Fund L.P.

- HarbourVest Partners VIII Venture Fund L.P.
- INVESCO Non-U.S. Partnership Fund III, L.P.
- INVESCO U.S. Buyout & Expansion Capital Partnership Fund III, L.P.
- INVESCO Venture Partnership Fund III, L.P.

Absolute Return

• PRIT

General Allocation

• PRIT

Emerging Markets

• PRIT

Consultant

· Meketa Investment Group

Custodian

▶ 2007 Return	6.96%
▶ 2007 Target	8.00%
▶ 2007 Market Value	\$226.6 M
▶ 2003-2007 (Annualized)	12.01%
▶ 1985-2007 (Annualized)	10.29%

Cambridge

255 Bent Street 3rd Floor Cambridge, MA 02141 Phone 617-868-3401 Fax 617-868-3477

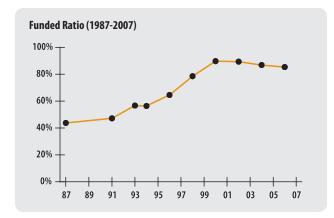
Board Members

Bradford P. Tenney (Chairperson), Nadia Chamblin-Foster, Michael P. Gardner, Anne C. Leduc, James H. Monagle

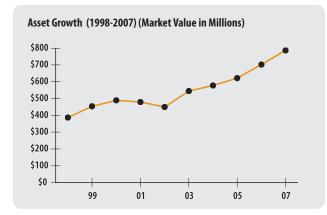
Board Administrator

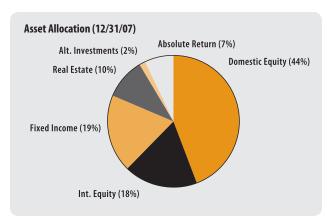
Ellen K. Philbin Board Meeting

First Monday of every month



18% +	+							
16% +	-							
14% +					1			
12% +								
10% +	-		 					
8% +	-	ŀ						
6% +	-	-						-
4% +	-	-						┈
2% 🕂								





ACTUARIAL

• Funded Ratio	85.4%
Date of Last Valuation	01/06
• Actuary	Segal
Assumed Rate of Return	8.50%
• Funding Schedule	9-year Decreasing
Year Fully Funded	2015
Unfunded Liability	\$108.3 M
Total Pension Appropriation (Fiscal 2008)	\$25.9 M

Active	Retired
3,739	1,739
\$204.6 M	\$36.9 M
\$54,700	\$21,200
45	NA
10.7 years	NA
	3,739 \$204.6 M \$54,700 45

INVESTMENT

Domestic Equity

- Columbia Management Group, Inc.
- Copper Rock Capital Partners, LLC
- · Loomis, Sayles & Company, L.P.
- Marvin & Palmer Associates, Inc.
- MFS Institutional Advisors, Inc.
- SSgA Russell 2000 Growth Index Fund
- SSgA S&P 500 Flagship Fund
- WEDGE Capital Management, LLP

International Equity

- Lazard Emerging Markets Equity Portfolio
- SSgA MSCI-EAFE Index Securities Lending Fund
- Voyageur International Fund

Domestic Fixed Income

- Income Research & Management
- MacKay-Shields Financial Corporation
- Pyramis Broad Market Duration Portfolio

International Fixed Income

• Brandywine Global Fixed Income Fund

Real Estate

- AEW Partners V, L.P.
- Carey Corporate Properties Associates Fund 15
- Hancock ForesTree V Fund
- PRIT
- UBS (US) Trumbull Property Fund LP

Alternative Investments

- Ascent Venture Partners II, III, IV L.P.
- BlackRock Diversified Private Equity Program II
- Charles River Partnership VII & VIII
- Hamilton Lane Private Equity Fund VI, LP

Absolute Return

• PRIT

Commission Recapture

• Lynch, Jones & Ryan

Consultant

Segal Advisors

Custodian

▶ 2007 Return	11.89%
▶ 2007 Target	9.00%
▶ 2007 Market Value	\$787.0 M
▶ 2003-2007 (Annualized)	12.31%
▶ 1985-2007 (Annualized)	10.82%

Chelsea

City Hall, Room 214 500 Broadway Chelsea, MA 02150 Phone 617-466-4230 Fax 617-466-4234

Board Members

Joseph M. Siewko (Chairperson), Thomas J. Durkin, Richard A. Incerto, Frederick A. Nowicki, Carolyn M. Russo

Board Administrator

David Pickering Board Meeting

Generally last Thursday of each month at 9:00 am



Investment Return (2003-2007, 5 Year and 23 Year Averages)

ACTUARIAL

• Funded Ratio	47.6%
Date of Last Valuation	01/07
• Actuary	PERAC
Assumed Rate of Return	8.25%
Funding Schedule	3.5% Increasing
Year Fully Funded	2025
Unfunded Liability	\$68.4 M
• Total Pension Appropriation (Fiscal 2008)	\$7.6 M

	Active	Retired
 Number of Members 	692	384
Total Payroll/Benefit	\$27.0 M	\$7.0 M
 Average Salary/Benefit 	\$38,900	\$18,400
Average Age	45	73
Average Service	11.2 years	NA



INVESTMENT

• PRIT

Asset Grov	wth (1998-	2007) (Mark	et Value in	Millions)	
\$80 —					
\$70 —					_
\$60 +					
\$50 +			4		
\$40 +	-				
\$30 —					
\$20 —					
\$10 +					
\$0 <u> </u>	-	-	-		
	99	01	03	05	07

▶ Asset Allocation

See page 121 for PRIT asset allocation chart.

▶ 2007 Return	12.10%
▶ 2007 Target	8.25 %
▶ 2007 Market Value	\$72.4 M
▶ 2003-2007 (Annualized)	14.60%
▶ 1985-2007 (Annualized)	9.28%

Chicopee

City Hall Market Square Chicopee, MA 01013-2685 Phone 413-594-1542 Fax 413-594-1544

Board Members

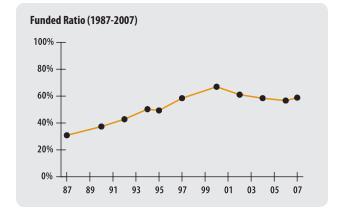
Maxwell S. Mackechnie (Chairperson), Debra Boronski, James R. Montcalm, Timothy O'Shea, Sharyn A. Riley

Board Administrator

Susana Baltazar

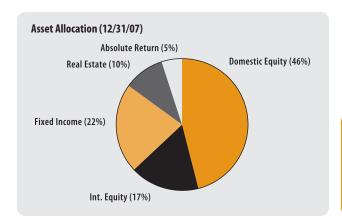
Board Meeting

Second Thursday of each month at 2:00 pm



Investment Return (2003-2007, 5 Year and 23 Year Averages) 25% 20% 15% 10% 5% 0% 04 05 03-07 85-07 03 06

Asset Growth (1998-2007) (Market Value in Millions) \$160 \$140 \$120 \$100 \$80 \$60 \$40 \$20 \$0 01 03 05 07



ACTUARIAL

• Funded Ratio	58.9%
Date of Last Valuation	01/07
• Actuary	Buck
Assumed Rate of Return	8.00%
• Funding Schedule	4.25% Increasing
Year Fully Funded	2021
Unfunded Liability	\$96.3 M
Total Pension Appropriation (Fiscal 2008)	\$12.2 M

	Active	Retired
 Number of Members 	1,183	831
Total Payroll/Benefit	\$43.9 M	\$14.4 M
Average Salary/Benefit	\$37,100	\$17,400
Average Age	NA	74
 Average Service 	NA	NA

INVESTMENT

Domestic Equity

- Ark Asset Management Company, Inc.
- Earnest Partners, LLC
- Independence Small Cap Growth Group Trust
- Voyageur Asset Management Inc.
- Voyageur Equity Style Fund
- Voyageur Large Cap Value Fund

International Equity

- Boston Company Non-US Value Equity Fund
- Pyramis International Growth Commingled Pool

Domestic Fixed Income

• Pyramis Core Plus Commingled Pool

Real Estate

- BlackRock Apartment Value Fund III, L.P.
- PRIT

Absolute Return

• PRIT

Consultant

Segal Advisors

Custodian

▶ 2007 Return	6.93%
▶ 2007 Target	8.50 %
▶ 2007 Market Value	\$152.0 M
▶ 2003-2007 (Annualized)	11.53%
▶ 1985-2007 (Annualized)	9.55%

Clinton

242 Church Street Clinton, MA 01510 Phone 978-365-4118 Fax 978-365-4130

Board Members

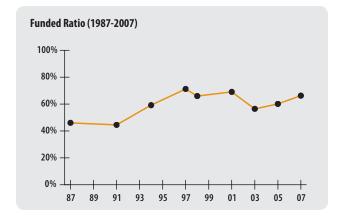
Paul B. Cherubini (Chairperson), Joseph P. Casasanto, Michael P. DiGisi, Diane L. Magliozzi, John M. McNamara

Board Administrator

Patricia Hazel

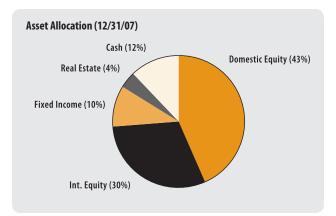
Board Meeting

Generally the last Tuesday of each month at 4:30 pm



Investment Return (2003-2007, 5 Year and 23 Year Averages)						
30 % T						
25%						
20%	-					
15%	-					_
10%	-	_				
5%	-					
0% +						
	03	04	05	06	07	03-07 85-07





ACTUARIAL

• Funded Ratio	66.3%
Date of Last Valuation	01/07
• Actuary	PERAC
Assumed Rate of Return	8.00%
• Funding Schedule	3.0% Increasing
Year Fully Funded	2028
Unfunded Liability	\$12.3 M
Total Pension Appropriation (Fiscal 2008)	\$1.7 M

	Active	Retired
 Number of Members 	251	99
 Total Payroll/Benefit 	\$8.5 M	\$1.4 M
 Average Salary/Benefit 	\$33,900	\$14,200
• Average Age	47	74
 Average Service 	10.7 years	NA

INVESTMENT

Domestic Equity

- SSgA Active U.S. Large Cap Value Fund
- SSgA Index Plus Fund

International Equity

• SSgA All International Allocation Common Trust Fund

Domestic Fixed Income

• SSgA Treasury Inflation Protected Securities (TIPS) Fund

Real Estate

• SSgA Active REIT Fund

Consultant

• Trust Advisory Group, Ltd.

Custodian

▶ 2007 Return	6.04%
▶ 2007 Target	9.06%
▶ 2007 Market Value	\$29.0 M
▶ 2003-2007 (Annualized)	14.46%
▶ 1985-2007 (Annualized)	9.15%

Concord

P. O. Box 535 22 Monument Square Concord, MA 01742-0535 Phone 978-318-3066 Fax 978-318-3093

Board Members

Peter J. Fulton (Chairperson), Gail Eagen-Henry, Anthony T. Logalbo, Arnold Roth, Brian J. Whitney

Board Administrator Linda Boucher

Board Meeting

Last Tuesday of each month



ACTUARIAL

• Funded Ratio	90.5%
Date of Last Valuation	01/06
• Actuary	Stone
Assumed Rate of Return	7.75%
Funding Schedule	Level
Year Fully Funded	2012
Unfunded Liability	\$8.0 M
 Total Pension Appropriation (Fiscal 2008) 	\$2.9 M

	Active	Retired
 Number of Members 	451	246
 Total Payroll/Benefit 	\$18.9 M	\$3.8 M
 Average Salary/Benefit 	\$42,000	\$15,600
• Average Age	47	73
Average Service	11.1 years	NA



INVESTMENT

Domestic Equity

- Columbia Disciplined Value Fund
- Frank Russell Equity I Fund

International Equity

• Frank Russell International Fund

Domestic Fixed Income

• Columbia Management Group, Inc.

Alternative Investments

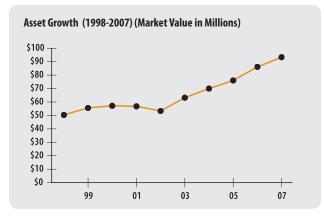
• PRIT

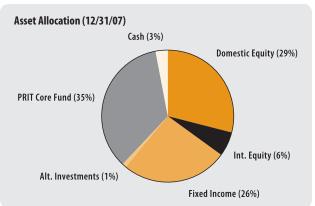
General Allocation

• PRIT

Custodian

· Bank of America





▶ 2007 Return	8.70%
▶ 2007 Target	7.31 %
▶ 2007 Market Value	\$93.3 M
▶ 2003-2007 (Annualized)	11.78%
▶ 1985-2007 (Annualized)	9.82%

Danvers

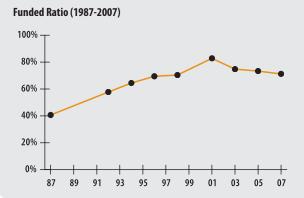
Town Hall 1 Sylvan Street Danvers, MA 01923 Phone 978-777-0001, Ext. 3044 Fax 978-762-0264

Board Members

Leonard A. Marshall (Chairperson), Robert J. Cyr, Dana M. Hagan, Charles Levasseur, Wayne P. Marquis

Board Administrator Leonard A. Marshall **Board Meeting**

Last Wednesday of each month at 3:00 pm

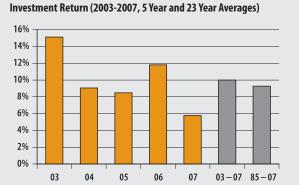


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 07		

ACTUARIAL

• Funded Ratio	71.3%
Date of Last Valuation	01/07
• Actuary	Buck
Assumed Rate of Return	8.25%
• Funding Schedule	3.5% Increasing
Year Fully Funded	2024
Unfunded Liability	\$32.2 M
• Total Pension Appropriation (Fiscal 2008)	\$3.5 M

	Active	Retired
Number of Members	453	405
Total Payroll/Benefit	\$20.4 M	\$7.0 M
Average Salary/Benefit	\$45,000	\$17,300
Average Age	NA	74
Average Service	NA	NA



INVESTMENT

Domestic Equity

- Fidelity Spartan 500 Index Fund
- Mount Lucas US Focused Equity Strategy
- NWQ Investment Management Company, LLC
- RhumbLine Russell 1000 Growth Pooled Index Fund

Domestic Fixed Income

• Wellington Trust Co.-CIF II Core Bond Plus Portfolio

International Equity

• GlobeFlex International Small Cap Equity Fund

Real Estate

- BPG Investment Partnership VIII, L.P.
- BPG Investment Partnership VIIIA, L.P.

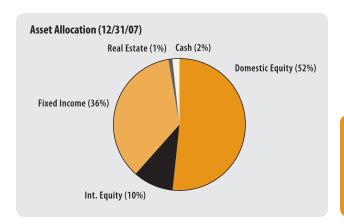
Consultant

• Morgan Stanley Institutional Consulting

Custodian

• State Street

Asset Growth (1998-2007) (Market Value in Millions) \$90 \$80 \$70 \$60 \$50 \$40 \$30 \$20 \$10 \$0 99 01 03 05 07



▶ 2007 Return	5.77%
▶ 2007 Target	8.25%
▶ 2007 Market Value	\$85.9 M
▶ 2003-2007 (Annualized)	10.00%
▶ 1985-2007 (Annualized)	9.26%

Dedham

202 Bussey Street Suite 101 Dedham, MA 02026 Phone 781-326-7693 Fax 781-329-4123

Board Members

Ronald J. Pucci (Chairperson), John W. Fontaine, Jr., John Maloney, Maryellen Murphy, June Rosado

Board Administrator

Lynn M. Carley **Board Meeting**Third Wednesday of each month

ACTUARIAL



	Active	Retired
 Number of Members 	419	300
Total Payroll/Benefit	\$17.2 M	\$5.4 M
 Average Salary/Benefit 	\$41,000	\$17,800
Average Age	NA	73
Average Service	NA	NA



• PRIT



Investment Return (2003-2007, 5 Year and 23 Year Averages) 30% 25% 20% 15% 0% 03 04 05 06 07 03-07 85-07

Asset Growth (1998-2007) (Market Value in Millions) \$100 \$90 \$80 \$70 \$60 \$50 \$40 \$30 \$20 \$10 \$0 99 01 03 05 07

► Asset Allocation See page 121 for PRIT asset allocation chart.

12.10%
8.00%
\$96.8 M
16.30%
11.46%

Dukes County

RR 1 Box 862 Vineyard Haven, MA 02568 Phone 508-696-3846 Fax 508-696-3847

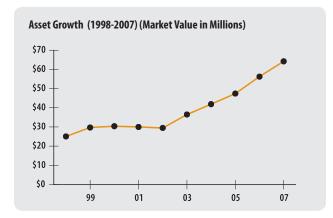
Board Members

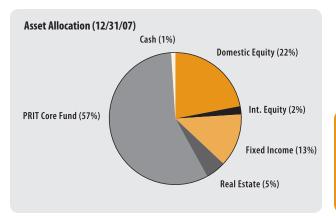
Noreen Mavro Flanders (Chairperson), Jeffrey S. Manter, Cynthia Schilling, Roger Wey, Sharon Willoughby

Board Administrator Kelly McCracken **Board Meeting** First Tuesday of each month



nvestm	ent Re	turn (20	03-2007,	5 Year a	nd 23 Ye	ar Averages)
18% —						
16% $+$						
14% 🕂	╂			_		
12% 🕂	+					
10% 丰		_		-	_	_
8% 丰		_		_	_	
6% 丰		_			_	
4% 丰				_	_	
2% 丰						
0% -						
	03	04	05	06	07	03-07 85-07





ACTUARIAL

• Funded Ratio	64.6%
Date of Last Valuation	01/07
• Actuary	Buck
Assumed Rate of Return	8.00%
Funding Schedule	4.5% Increasing
Year Fully Funded	2023
Unfunded Liability	\$29.3 M
• Total Pension Appropriation (Fiscal 2008)	\$3.6 M

	Active	Retired
 Number of Members 	672	209
 Total Payroll/Benefit 	\$26.3 M	\$3.5 M
 Average Salary/Benefit 	\$39,100	\$16,600
Average Age	46	NA
Average Service	7.9 years	NA

INVESTMENT

Domestic Equity

- Buckhead Capital Management, LLC
- Navellier & Associates, Inc.

International Equity

• PRIT

Real Estate

• PRIT

Domestic Fixed Income

• PRIT

General Allocation

• PRIT

Consultant

Dahab Associates

Custodian

▶ 2007 Return	11.43%
▶ 2007 Target	9.00%
▶ 2007 Market Value	\$64.2 M
▶ 2003-2007 (Annualized)	11.94%
▶ 1985-2007 (Annualized)	8.53%

Easthampton

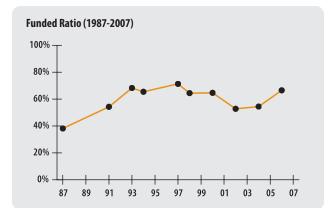
199 Northhampton Street, Front Easthampton, MA 01027 Phone 413-203-1307 Fax 413-203-1308

Board Members

James P. Dunham (Chairperson), Donald LaPlante, Richard P. Gwinner, Joanne E. Slattery, Mayor Michael Tautznik

Board Administrator

Tina Schneider **Board Meeting**Fourth Tuesday of each month



Investment Return (2003-2007, 5 Year and 23 Year Averages)								
30% —								
25%								
20% —					•			
15% —				,				
10%			Н	Н	Н			
5% —	-			\mathbf{H}	H			
0% 📙				Щ				
	03	0	4 05	06	07	03-07 85-07		

Asset Growth (1998-2007) (Market Value in Millions) \$35 \$30 \$25 \$20 \$15 \$10 \$55 \$0 99 01 03 05 07

► Asset Allocation

See page 121 for PRIT asset allocation chart.

ACTUARIAL

• Funded Ratio	66.6%
Date of Last Valuation	01/06
• Actuary	PERAC
Assumed Rate of Return	8.00%
Funding Schedule	4.5% Increasing
Year Fully Funded	2028
Unfunded Liability	\$11.9 M
Total Pension Appropriation (Fiscal 2008)	\$1.9 M

	Active	Retired
 Number of Members 	228	123
 Total Payroll/Benefit 	\$7.3 M	\$1.8 M
 Average Salary/Benefit 	\$32,200	\$14,900
• Average Age	48	71
Average Service	11.3 years	NA

INVESTMENT

▶ 2007 Return	12.07%
▶ 2007 Target	8.50%
▶ 2007 Market Value	\$31.9 M
▶ 2003-2007 (Annualized)	16.37%
▶ 1985-2007 (Annualized)	9.73%

Essex Regional

491 Maple Street Suite 202 Danvers, MA 01923-4025 Phone 978-739-9151 Fax 978-750-0745

Board Members

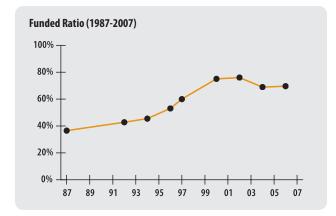
Timothy A. Bassett (Chairperson), Roberta Josephson, William P. Martineau, Glenn C. Morse, Katherine O'Leary

Board Administrator

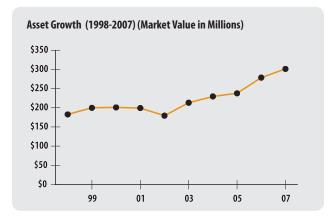
Timothy A. Bassett

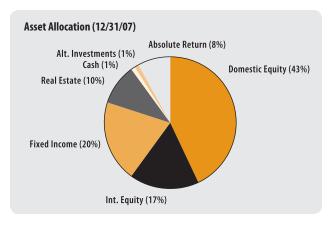
Board Meeting

Generally the last Wednesday of each month



18% 🕂								
16% +								
14% 12% 								
10%								
8% +								
6% +	-							\blacksquare
4% +	-							\blacksquare
2% +	-			_				\vdash





ACTUARIAL

• Funded Ratio	69.6%
Date of Last Valuation	01/06
• Actuary	Segal
Assumed Rate of Return	8.50%
Funding Schedule	4.5% Increasing
Year Fully Funded	2028
Unfunded Liability	\$114.3 M
Total Pension Appropriation (Fiscal 2008)	\$16.3 M

	Active	Retired
 Number of Members 	2,949	1,508
 Total Payroll/Benefit 	\$94.1 M	\$19.7 M
 Average Salary/Benefit 	\$31,900	\$13,100
Average Age	47	74
Average Service	8.8 years	NA

INVESTMENT

Domestic Equity

- Analytic Core Equity Plus Fund
- OFI Institutional Asset Management
- Daruma Asset Management, Inc.
- Perimeter Capital Management
- Victory Diversified Equity Fund
- Voyageur Equity Style Fund
- Voyageur Large Cap Growth Fund
- Voyageur Large Cap Value Fund
- Wellington Trust Co.-CIF Research Equity Portfolio

International Equity

- Voyageur International Fund
- Wellington Trust Co.-CIF International Growth Portfolio

Domestic Fixed Income

- Loomis Sayles Institutional High Income Fund
- Loomis Sayles Multisector Full Discretion Trust
- OFI Institutional Asset Management

Real Estate

- BlackRock Apartment Value Fund III, L.P.
- BlackRock Granite Property Fund
- Intercontinental Real Estate Investment Fund III, LLC
- PRIT
- Sentinel Realty Partners IV

Alternative Investments

- Ascent Venture Partners III & IV, L.P.
- Boston Millennia Partners, L.P.
- Boston Millennia Partners II, L.P.
- Levine Leichtman Capital Partners III, L.P.
- MTDC Commonwealth Fund Investment Program II
- MTDC Heritage Fund

Absolute Return

• PRIT

Consultant

• Segal Advisors

Custodian

▶ 2007 Return	9.85%
▶ 2007 Target	9.00%
▶ 2007 Market Value	\$301.1 M
▶ 2003-2007 (Annualized)	12.09%
▶ 1985-2007 (Annualized)	10.36%

Everett

City Hall 484 Broadway, Room 30 Everett, MA 02149 Phone 617-394-2310 Fax 617-381-7016

Board Members

ACTUARIAL

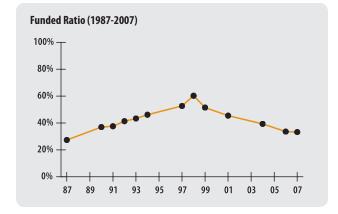
Ronald V. D'Onofrio (Chairperson), Peter Cocciardi, Lawrence DeCoste, Harold J. Mayo, William Pierce

Board Administrator

Robert Shaw

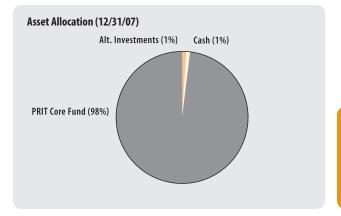
Board Meeting

Last Wednesday of the month at 9:00 am



Investment Return (2003-2007, 5 Year and 23 Year Averages)							
25% —							
20%							
15%	-			-			
10%				+			
5% —				_			
0%							
	03	04	05	06	07	03-07 85-07	

Asset Growth (1998-2007) (Market Value in Millions) \$70 \$60 \$50 \$40 \$30 \$20 \$10 \$0 03 05 07 99 01



• Funded Ratio	33.3%
Date of Last Valuation	01/07
• Actuary	PERAC
Assumed Rate of Return	8.25%
• Funding Schedule	4.5% Increasing
Year Fully Funded	2028
Unfunded Liability	\$100.8 M
• Total Pension Appropriation (Fiscal 2008)	\$8.7 M

	Active	Retired
 Number of Members 	622	591
 Total Payroll/Benefit 	\$27.4 M	\$10.3 M
 Average Salary/Benefit 	\$44,100	\$17,400
• Average Age	47	74
Average Service	10.4 years	NA

INVESTMENT

Alternative Investments

• New England Growth Fund I & II, L.P.

General Allocation

▶ 2007 Return	11.90%
▶ 2007 Target	8.50%
▶ 2007 Market Value	\$61.9 M
▶ 2003-2007 (Annualized)	13.69%
▶ 1985-2007 (Annualized)	9.94%

Fairhaven

Town Hall 40 Centre Street Fairhaven, MA 02719 Phone 508-979-4020 Fax 508-993-9486

Board Members

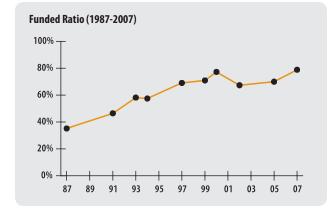
Earl M. Faunce (Chairperson), Anne M. Carreiro, Jeffrey Osuch, Joyce Shepard, Christine Tetreault

Board Administrator

Claudette Souza

Board Meeting

Fourth Monday of each month at 8:30 am



Investment Return (2003-2007, 5 Year and 23 Year Averages) 30% 25% 20% 15% 10% 5% 0% 03 04 05 06 07 03-07 85-07

Asset Growth (1998-2007) (Market Value in Millions) \$40 \$35 \$30 \$25 \$20 \$15 \$10 \$5 \$0 03 99 01 05 07

▶ Asset Allocation

See page 121 for PRIT asset allocation chart.

ACTUARIAL

• Funded Ratio	78.9%
Date of Last Valuation	01/07
• Actuary	PERAC
Assumed Rate of Return	8.00%
• Funding Schedule	4.15% Increasing
Year Fully Funded	2019
Unfunded Liability	\$9.7 M
• Total Pension Appropriation (Fiscal 2008)	\$1.8 M

	Active	Retired
 Number of Members 	296	173
 Total Payroll/Benefit 	\$9.9 M	\$2.4 M
 Average Salary/Benefit 	\$33,500	\$13,600
• Average Age	45	72
 Average Service 	10.3 years	NA

INVESTMENT

▶ 2007 Return	11.91%
▶ 2007 Target	8.00%
▶ 2007 Market Value	\$39.6 M
▶ 2003-2007 (Annualized)	16.16%
▶ 1985-2007 (Annualized)	11.18%

Fall River

One Government Center Room 324 Fall River, MA 02722 Phone 508-324-2310 Fax 508-324-2314

Board Members

Anthony F. Cordeiro (Chairperson), Joseph C. Almeida, Kevin Almeida, David Machado, Arthur Viana

Board Administrator Christine Tetreault

Board Meeting Varies

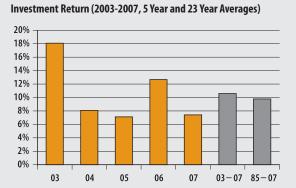


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5	07		
)			

ACTUARIAL

• Funded Ratio	57.1%
Date of Last Valuation	01/06
• Actuary	PERAC
Assumed Rate of Return	8.25%
• Funding Schedule	4.5% Increasing
Year Fully Funded	2028
Unfunded Liability	\$164.0 M
Total Pension Appropriation (Fiscal 2008)	\$13.8 M

	Active	Retired
 Number of Members 	1,864	1,479
 Total Payroll/Benefit 	\$64.7 M	\$22.6 M
 Average Salary/Benefit 	\$34,700	\$15,300
Average Age	47	73
Average Service	13.1 years	NA



INVESTMENT

Domestic Fixed Income

• Credos High Yield Bond Fund

Alternative Investments

• North American Strategic Partners 2006, L.P.

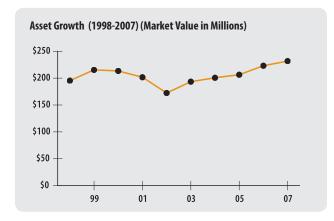
General Allocation

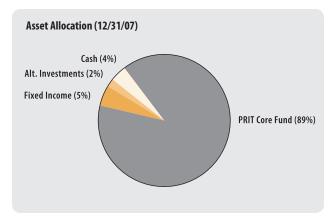
• PRIT

Consultant

• Meketa Investment Group

Custodian





▶ 2007 Return	7.42%
▶ 2007 Target	8.50%
▶ 2007 Market Value	\$231.5 M
▶ 2003-2007 (Annualized)	10.61%
▶ 1985-2007 (Annualized)	9.81%

Falmouth

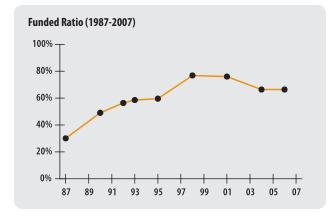
744 Main Street Falmouth, MA 02540 Phone 508-457-0578 Fax 508-540-9962

Board Members

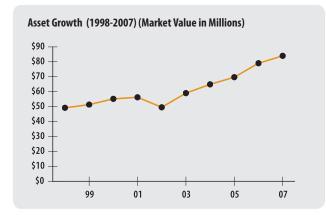
Paul D. Brodeur (Chairperson), Mary Ellen Alwardt, Russell Ferreira, Ellen K. Philbin, Robert Whritenour

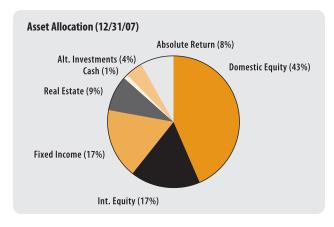
Board Administrator Francis X. St. Germaine III **Board Meeting**

Varies



25% 20% 15% 0% 03 04 05 06 07 03-207 85-07





ACTUARIAL

• Funded Ratio	66.4%
Date of Last Valuation	01/06
• Actuary	PERAC
Assumed Rate of Return	8.00%
• Funding Schedule	4.5% Increasing
Year Fully Funded	2028
Unfunded Liability	\$35.8 M
Total Pension Appropriation (Fiscal 2008)	\$4.2 M

	Active	Retired
 Number of Members 	658	317
 Total Payroll/Benefit 	\$24.8 M	\$4.8 M
Average Salary/Benefit	\$37,700	\$15,100
Average Age	47	71
Average Service	10.7 years	NA

INVESTMENT

Domestic Equity

- Earnest Partners, LLC
- Provident Investment Counsel
- RhumbLine Russell 1000 Value Pooled Index Fund
- Wellington Trust Co.-CIF Mid Cap Intersection
 Fund

International Equity

- Denver International Small Cap Equity Fund
- INVESCO IRT International Equity Fund

Domestic Fixed Income

- SSgA US Aggregate Bond Index Strategy Fund
- SSgA US High Yield Bond Index Strategy Fund

International Fixed Income

• Baring International Group Trust Fund F

Real Estate

- Intercontinental Real Estate Investment Fund III, LLC
- Principal U.S. Property Account

Alternative Investments

- INVESCO Non-U.S. Partnership Fund III, L.P.
- INVESCO U.S. Buyout & Expansion Capital Partnership Fund III, L.P.
- INVESCO Venture Partnership Fund III, L.P.
- Lexington Capital Partners V, L.P.

 Mesirow Financial Private Equity Partnership Fund IV

Absolute Return

• PRIT

Consultant

• Wainwright Investment Counsel, LLC

Custodian

▶ 2007 Return	7.08%
▶ 2007 Target	9.46%
▶ 2007 Market Value	\$84.0 M
▶ 2003-2007 (Annualized)	11.89%
▶ 1985-2007 (Annualized)	10.43%

Fitchburg

City Hall 718 Main Street Fitchburg, MA 01420 Phone 978-345-9570 Fax 978-345-9698

Board Members

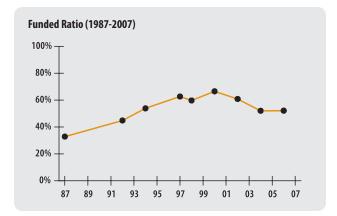
Richard N. Sarasin (Chairperson), John C. Curran, Thomas A. Dateo, Jr., Ellen M. Jerszyk, Norman J. LeBlanc

Board Administrator

Diane G. Vieweg

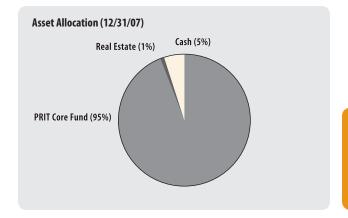
Board Meeting

Fourth Tuesday of each month at 10:00 am



Investment Return (2003-2007, 5 Year and 23 Year Averages) 18% 16% 14% 12% 10% 8% 6% 4% 2% 03-07 85-07

Asset Growth (1998-2007) (Market Value in Millions) \$100 \$90 \$80 \$70 \$60 \$50 \$40 \$30 \$20 \$10 \$0 03 99 01 05 07



ACTUARIAL

• Funded Ratio	52.2%
Date of Last Valuation	01/06
• Actuary	Stone
Assumed Rate of Return	7.88%
Funding Schedule	4.25% Increasing
Year Fully Funded	2028
Unfunded Liability	\$72.3 M
Total Pension Appropriation (Fiscal 2008)	\$6.7 M

	Active	Retired
 Number of Members 	713	525
 Total Payroll/Benefit 	\$28.5 M	\$8.2 M
 Average Salary/Benefit 	\$39,900	\$15,500
Average Age	47	NA
 Average Service 	11.8 years	NA

INVESTMENT

Real Estate

• TA Realty Associates Fund VII

General Allocation

▶ 2007 Return	9.87%
▶ 2007 Target	8.00%
▶ 2007 Market Value	\$93.7 M
▶ 2003-2007 (Annualized)	10.70%
▶ 1985-2007 (Annualized)	8.92%

Framingham

Memorial Building 150 Concord Street, Room B-31 Framingham, MA 01702-8325 Phone 508-532-5465 Fax 508-628-1327

Board Members

ACTUARIAL

Richard C. Howarth, Jr. (Chairperson), Paul F. Barbieri, Mary Ellen Kelley, Sidney W. Lebewohl, Peter J. Rovinelli

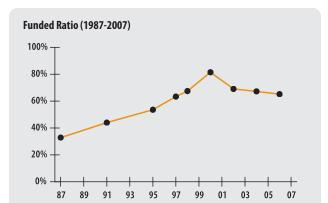
• Total Pension Appropriation (Fiscal 2008)

Board AdministratorRoberta Griffin **Board Meeting**Varies

\$9.1 M

73

NA



► Asset Allocation

See page 121 for PRIT asset allocation chart.

• Funded Ratio	65.2%
Date of Last Valuation	01/06
• Actuary	PERAC
Assumed Rate of Return	8.00%
• Funding Schedule	4.5% Increasing
Year Fully Funded	2028
Unfunded Liability	\$84.1 M

	Active	Retired
 Number of Members 	1,126	798
 Total Payroll/Benefit 	\$45.4 M	\$14.1 M
 Average Salary/Benefit 	\$40,400	\$17,700

46

10.9 years

INVESTMENT

• Average Age

• Average Service

▶ 2007 Return	12.11%
▶ 2007 Target	8.50 %
▶ 2007 Market Value	\$218.0 M
▶ 2003-2007 (Annualized)	16.38 %
▶ 1985-2007 (Annualized)	11.14%

Franklin Regional

278 Main Street Suite 311 Greenfield, MA 01301 Phone 413-774-4837 Fax 413-774-5677

Board Members

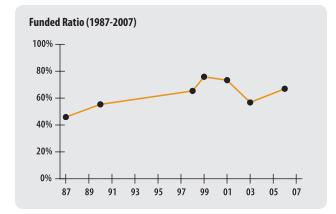
Sandra Hanks (Chairperson), Patricia Auchard, David Gendron, Paul Mokrzecki, Herb Sanderson

Board Administrator

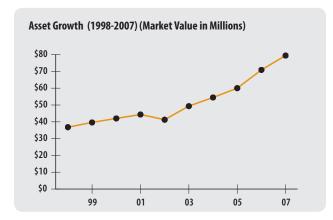
Dale Kowacki

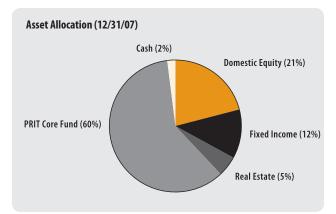
Board Meeting

Usually meets the last Tuesday of each month



Investm	ent R	eturn (2	2003-200	07, 5 Yea	r and 23	Year Avera	ages)
18% —							
16%							
14%	┩						
12% 丰							
10% 丰							
8%					Ш		
6%					Ш		_
4%							
2%							
0%							
070	03	04	05	06	07	03-07	85-07





ACTUARIAL

• Funded Ratio	67.0%
Date of Last Valuation	01/06
• Actuary	Stone
Assumed Rate of Return	8.00%
• Funding Schedule	3.5% Increasing
Year Fully Funded	2028
Unfunded Liability	\$30.3 M
Total Pension Appropriation (Fiscal 2008)	\$4.5 M

	Active	Retired
 Number of Members 	1,131	396
 Total Payroll/Benefit 	\$26.2 M	\$3.9 M
Average Salary/Benefit	\$23,200	\$9,800
Average Age	48	NA
Average Service	9.1 years	NA

INVESTMENT

Domestic Equity

- Daruma Asset Management, Inc.
- RhumbLine S&P 500 Pooled Index Fund
- Rothschild Asset Management, Inc.

Domestic Fixed Income

• IR&M Core Bond Fund

Real Estate

- PRIT
- Prudential Real Estate Investors (PRISA) Fund

General Allocation

• PRIT

Consultant

Dahab Associates

Custodian

▶ 2007 Return	11.13%
▶ 2007 Target	9.64%
▶ 2007 Market Value	\$79.4 M
▶ 2003-2007 (Annualized)	11.57%
▶ 1985-2007 (Annualized)	9.45%

Gardner

0%

03

04

05

City Hall, Room 17 95 Pleasant Street Gardner, MA 01440 Phone 978-630-4006 Fax 978-630-4012

Board Members

Calvin D. Brooks (Chairperson), Charles E. Langlois, Jr., Kevin McInerney, Denise M. Merriam, John J. Wall, Jr.

Board Administrator Clifton J. Melatti **Board Meeting**

Varies



Investment Return (2003-2007, 5 Year and 23 Year Averages) 30% 25% 10% 15%

06

03-07 85-07

Asset Growth (1998-2007) (Market Value in Millions) \$45 \$40 \$35 \$30 \$25 \$20 \$15 \$10 \$5 \$0 01 05 07 99 03

► Asset Allocation See page 121 for PRIT asset allocation chart.

ACTUARIAL

• Funded Ratio	67.4%
Date of Last Valuation	01/07
• Actuary	Stone
Assumed Rate of Return	8.00%
• Funding Schedule	1.44% Increasing
Year Fully Funded	2024
Unfunded Liability	\$19.6 M
Total Pension Appropriation (Fiscal 2008)	\$2.5 M

	Active	Retired
 Number of Members 	296	232
 Total Payroll/Benefit 	\$10.1 M	\$3.7 M
 Average Salary/Benefit 	\$34,000	\$16,100
Average Age	47	72
 Average Service 	12.3 years	NA

INVESTMENT

▶ 2007 Return	12.05%
▶ 2007 Target	8.00%
▶ 2007 Market Value	\$41.9 M
▶ 2003-2007 (Annualized)	16.36%
▶ 1985-2007 (Annualized)	11.32%

Gloucester

P.O. Box 114 11-15 Parker Street, Suite 202 Gloucester, MA 01931-0114 Phone 978-281-9744 Fax 978-281-9817

Board Members

Douglas A. MacArthur (Chairperson), Linda L. Geary, Edward Hardy, Patricia Ivas, Joseph T. Pratt

Board Administrator

Linda L. Geary

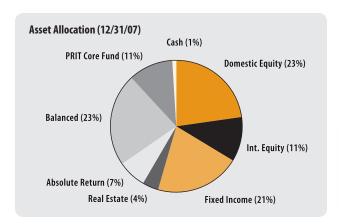
Board Meeting

Generally the third Wednesday of each month



Investment Return (2003-2007, 5 Year and 23 Year Averages) 25% 20% 15% 10% 5% 0% 03-07 85-07

Asset Growth (1998-2007) (Market Value in Millions) \$80 \$70 \$60 \$50 \$40 \$30 \$20 \$10 \$0 99 01 03 05 07



ACTUARIAL

• Funded Ratio	49.5%
Date of Last Valuation	01/06
• Actuary	Stone
Assumed Rate of Return	7.88%
• Funding Schedule	4.5% Increasing
Year Fully Funded	2028
Unfunded Liability	\$59.2 M
Total Pension Appropriation (Fiscal 2008)	\$5.6 M

	Active	Retired
 Number of Members 	539	411
 Total Payroll/Benefit 	\$20.9 M	\$6.7 M
 Average Salary/Benefit 	\$38,800	\$16,400
Average Age	49	72
Average Service	12 years	NA

INVESTMENT

Domestic Equity

- INTECH Large Cap Growth Equity Fund
- Wellington Trust Co.-CIF Mid Cap Growth Portfolio

International Equity

• INVESCO IRT International Equity Fund

Domestic Fixed Income

• PIMCO Total Return Fund II

Global Balanced

- Mellon Global Alpha I Fund
- PIMCO All Asset Fund

General Allocation

• PRIT

Real Estate

• PRIT

Absolute Return

• PRIT

Consultant

• New England Pension Consultants

Custodian

▶ 2007 Return	9.25%
▶ 2007 Target	8.39%
▶ 2007 Market Value	\$73.7 M
▶ 2003-2007 (Annualized)	13.03%
▶ 1985-2007 (Annualized)	10.54%

Greater Lawrence

P. O. Box 187 North Andover, MA 01845 Phone 978-689-9464 Fax 978-685-7790

Board Members

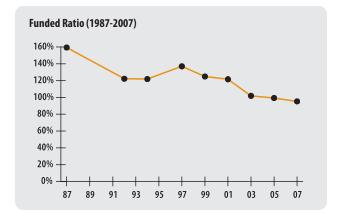
ACTUARIAL

Laurie Elliott (Chairperson), Joyce Campagnone, Norman Cormier, Mark Ford, John Petkus

Board Administrator

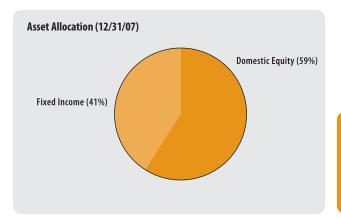
Patricia Kelley **Board Meeting**

Last Wednesday of the month at 5:00 pm



Investn	ient i	letu	rn (2	003	-200	7,5	Year	and	1231	/ear	Avei	rage	2S)	
14% —														_
12% +														_
10% 🕂														
8%														_
6%	-													F
4%	-				_									F
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0% +		_		_		Ļ		<u> </u>		<u> </u>		Ļ		Ц
	03		04		05		06		07		03-0)7	85-	07

Asset Growth (1998-2007) (Market Value in Millions) \$10 \$9 \$8 \$7 \$6 \$5 \$4 \$3 \$2 \$1 \$0 03 99 01 05 07



• Funded Ratio	95.3%
Date of Last Valuation	01/07
• Actuary	PERAC
Assumed Rate of Return	8.00%
• Funding Schedule	Level
Year Fully Funded	2018
Unfunded Liability	\$0.4 M
• Total Pension Appropriation (Fiscal 2008)	\$0.2 M

	Active	Retired
 Number of Members 	42	19
 Total Payroll/Benefit 	\$2.2 M	\$0.3 M
 Average Salary/Benefit 	\$53,200	\$15,600
Average Age	50	71
 Average Service 	15.5 years	NA

INVESTMENT

Domestic Equity

• Beacon Fiduciary Advisors, Inc.

Domestic Fixed Income

• Beacon Fiduciary Advisors, Inc.

Custodian

• Bank of New York

▶ 2007 Return	8.60%
▶ 2007 Target	8.00%
▶ 2007 Market Value	\$9.3 M
▶ 2003-2007 (Annualized)	7.96%
▶ 1985-2007 (Annualized)	7.96%

Greenfield

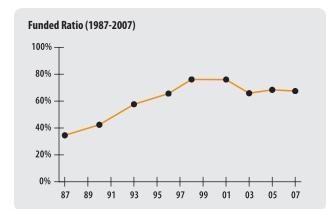
Town Hall 14 Court Square Greenfield, MA 01301 Phone 413-772-1503 Fax 413-772-1582

Board Members

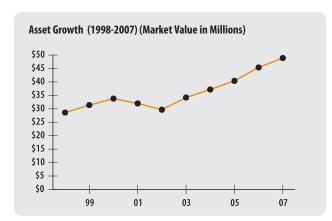
William P. Devino (Chairperson), Michael A. Kociela, John Lyford, Betty L. Rice, Frances K. Stotz

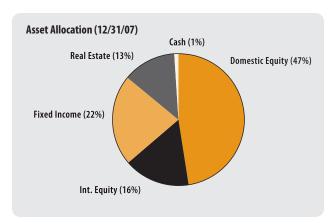
Board Administrator Marianne Fiske **Board Meeting**

Varies



Investm	ent Ret	urn (200	3-2007	5 Vear a	nd 23 V	ear Averac	nes)
16% —	iciic nec	um (200	3 2007,	J Icui u	u 25 10	ui Aveiu	, cs,
14%							
12%				\bot			
10%	+			+		-	
8% +	+		+	+	-	-	+
6% +				+	+		
4% +							
2% +							
U70 +	03	04	05	06	07	03-07	85 – 07





ACTUARIAL

• Funded Ratio	67.5%
Date of Last Valuation	01/07
• Actuary	PERAC
Assumed Rate of Return	8.25%
• Funding Schedule	4.5% Increasing
Year Fully Funded	2026
Unfunded Liability	\$20.8 M
Total Pension Appropriation (Fiscal 2008)	\$2.4 M

	Active	Retired
 Number of Members 	378	219
 Total Payroll/Benefit 	\$12.2 M	\$3.3 M
 Average Salary/Benefit 	\$32,200	\$15,300
Average Age	47	71
 Average Service 	11.2 years	NA

INVESTMENT

Domestic Equity

- Smith Asset Management Group Small Cap **Equity Fund**
- Victory Capital Management

International Equity

• SSgA All International Allocation Common Trust Fund

Domestic Fixed Income

• Pyramis Core Plus Commingled Pool

Real Estate

- PRIT
- UBS (US) Trumbull Property Fund LP

Alternative Investments

• PRIT

Consultant

• Segal Advisors

Custodian

▶ 2007 Return	9.16%
▶ 2007 Target	8.75 %
▶ 2007 Market Value	\$48.9 M
▶ 2003-2007 (Annualized)	11.83%
▶ 1985-2007 (Annualized)	9.88%

Hampden County Regional

Agawam Corporate Center 67 Hunt Street, Suite 116 Agawam, MA 01001 Phone 413-737-1344 Fax 413-732-7999

Board Members

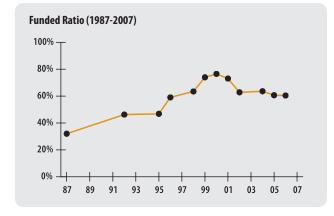
Richard M. Theroux (Chairperson), Patricia C. Donovan, Patrick O'Neil, Laurel Placzek, Karl Schmaelzle

Board Administrator

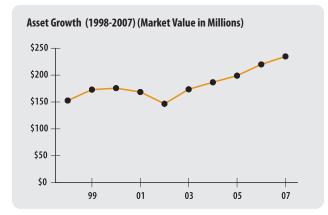
Julianne Bartley

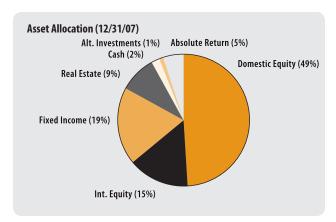
Board Meeting

Usually second to last business day of each month



Investm	ent R	eturn (20	03-2007	, 5 Year	and 23 Ye	ar Averag	jes)
25% —							
20%							
15%	-						
10%	-			_		-	_
5% —	-	_				-	-
0%							
	03	04	05	06	07	03 - 07	85 - 07





ACTUARIAL

• Funded Ratio	60.4%
Date of Last Valuation	01/06
• Actuary	Buck
Assumed Rate of Return	8.50%
• Funding Schedule	4.5% Increasing
Year Fully Funded	2026
Unfunded Liability	\$131.6 M
• Total Pension Appropriation (Fiscal 2008)	\$15.9 M

Active	Retired
2,589	1,466
\$77.8 M	\$19.3 M
\$30,100	\$13,100
NA	73
NA	NA
	2,589 \$77.8 M \$30,100 NA

INVESTMENT

Domestic Equity

- Earnest Partners, LLC
- Eaton Vance Management
- SSgA Index Plus Edge Strategy Fund
- Voyageur Asset Management Inc.
- Voyageur Large Cap Growth Fund
- Voyageur Large Cap Value Fund
- Wellington Trust Co.-CIF Diversified Growth Portfolio
- Westfield Capital Management Company, LLC

International Equity

• Brandes International Equity Trust

Domestic Fixed Income

• Wellington Trust Co.-CIF II Core Bond Plus Portfolio

Real Estate

- Fidelity Real Estate Growth Fund, L.P.
- Fidelity Real Estate Growth Fund III, L.P.
- New Boston Institutional Fund, L.P. VI
- PRIT

Alternative Investments

- INVESCO Non-U.S. Partnership Fund III, L.P.
- INVESCO U.S. Buyout & Expansion Capital Partnership Fund III, L.P.
- INVESCO Venture Partnership Fund III, L.P.
- Zero Stage Capital VII, L.P.

Absolute Return

• PRIT

Consultant

Segal Advisors

Custodian

▶ 2007 Return	6.59%
▶ 2007 Target	8.50%
▶ 2007 Market Value	\$234.7 M
▶ 2003-2007 (Annualized)	11.23%
▶ 1985-2007 (Annualized)	10.05%

Hampshire County

99 Industrial Drive Suite 2 Northampton, MA 01060-2326 Phone 413-584-9100 Fax 413-587-9396

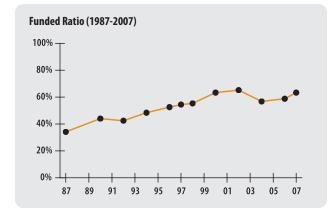
Board Members

Patrick E. Brock (Chairperson), John J. Lillis, Edward R. Montleon, John B. Walsh, Joseph A. Wilhelm, III

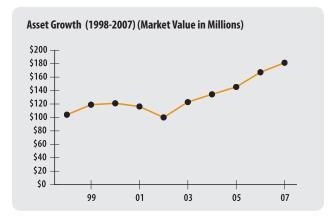
Board Administrator

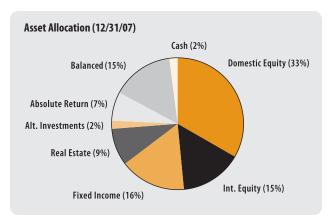
Mary G. Baronas **Board Meeting**

Varies, usually third Thursday



Investm	ent Ret	urn (200	3-2007,	5 Year	and 23 Ye	ar Averages)
25% —						
20%						
15%						
10%				-		
5%				-	_	
0%	Щ					
	03	04	05	06	07	03-07 85-07





ACTUARIAL

• Funded Ratio	63.4%
Date of Last Valuation	01/07
• Actuary	Segal
Assumed Rate of Return	8.25%
• Funding Schedule	3.5% Increasing
Year Fully Funded	2025
Unfunded Liability	\$94.4 M
• Total Pension Appropriation (Fiscal 2008)	\$12.0 M

	Active	Retired
 Number of Members 	2,413	996
 Total Payroll/Benefit 	\$64.6 M	\$13.5 M
 Average Salary/Benefit 	\$26,800	\$13,600
Average Age	46	NA
 Average Service 	9.8 years	NA

INVESTMENT

Domestic Equity

- RhumbLine S&P 500 Pooled Index Fund
- RhumbLine S&P Mid-Cap 400 Pooled Index Fund
- RhumbLine S&P Small Cap Pooled Index Fund

International Equity

- MFS Institutional International Equity Fund
- Voyageur International Fund

Domestic Fixed Income

• McDonnell Investment Management, LLC

International Fixed Income

· Colchester Global Bond Fund

Real Estate

- Intercontinental Real Estate Investment Fund III, LLC
- PRIT

Alternative Investments

- Ascent Venture Partners III & IV, L.P.
- PRIT

Global Balanced

- · Mellon Global Alpha I Fund
- PIMCO All Asset Fund
- GMO Global Balanced Asset Allocation Fund

Absolute Return

• PRIT

Consultant

• New England Pension Consultants

Custodian

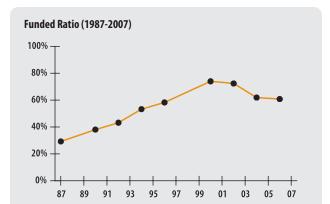
▶ 2007 Return	5.76%
▶ 2007 Target	8.27%
▶ 2007 Market Value	\$181.3 M
▶ 2003-2007 (Annualized)	12.34%
▶ 1985-2007 (Annualized)	9.49%

Haverhill

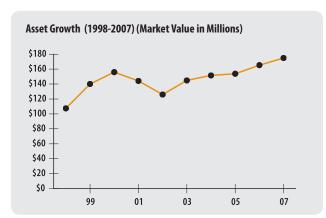
4 Summer Street Room 303 Haverhill, MA 01830 Phone 978-374-2358 Fax 978-374-2353

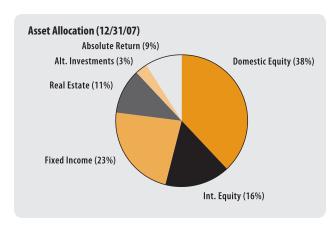
Board Members

William J. Klueber (Chairperson), Charles Benevento, James P. Cleary, III, Lewis F. Poore, Jr., Donald J. Shea Board Administrator Kathleen Gallant Board Meeting Varies



Investm	ent F	Return (2	003-200	7, 5 Year	and 23 Y	ear Avera	ges)
25% —		1					
20%							
15%							
10%						-	
5%							-
0%							
	03	04	05	06	07	03-07	85 – 07





ACTUARIAL

60.8%
01/06
Segal
8.50%
4.5% Increasing
2028
\$100.5 M
\$10.0 M

	Active	Ketirea
 Number of Members 	976	1,159
 Total Payroll/Benefit 	\$35.3 M	\$19.2 M
 Average Salary/Benefit 	\$36,200	\$16,600
• Average Age	46	NA
 Average Service 	10.4 years	NA

INVESTMENT

Domestic Equity

- Fisher Investments, Inc.
- Independence Investments, LLC
- Munder Capital Management
- Navellier & Associates, Inc.
- RhumbLine Russell 1000 Value Pooled Index Fund
- Systematic Financial Management, L.P.

International Equity

- INVESCO IRT International Equity Fund
- MFS Institutional International Equity Fund

Domestic Fixed Income

- Eaton Vance Loan Opportunities Fund, Ltd.
- Fox Asset Management
- Hartford Core Fixed Income Fund
- Seix High Yield Fund Class I Shares

International Fixed Income

• RiverSource Investments, LLC

Real Estate

- BlackRock Apartment Value Fund III, L.P.
- Geometry Real Estate LLC
- GFP Global Timber Investors 8
- GFP Institutional Global Timber Investors VI Ltd.
- GFP World Timberfund L.L.C.
- Intercontinental Real Estate Investment Fund III, LLC

- Mesirow Financial Institutional Real Estate
 International Fund
- PRIT

Alternative Investments

- Crescent Capital
- First America Asia Fund I
- Globespan Capital Partners V, L.P.
- GrandBanks Capital Venture Fund II LP
- New England Growth Fund I, L.P.
- North Bridge Venture Partners II, L.P.
- Novus Ventures II, L.P.
- PRIT
- Thomas H. Lee Equity Fund V, L.P.

Absolute Return

• PRIT

Emerging Markets

• PRIT

Commission Recapture

• Rochdale Securities Corporation

Consultant

• Wainwright Investment Counsel, LLC

Custodian

▶ 2007 Return	11.75%
▶ 2007 Target	8.50 %
▶ 2007 Market Value	\$174.9 M
▶ 2003-2007 (Annualized)	14.19%
▶ 1985-2007 (Annualized)	11.83%

Hingham

210 Central Street Hingham, MA 02043-2758 Phone 781-741-1478 Fax 781-741-1454

Board Members

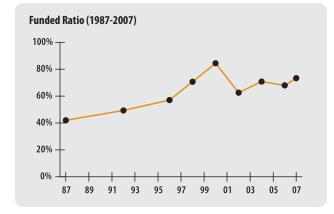
Ted C. Alexiades (Chairperson), Thomas P. Hall, Eileen A. McCracken, Jean M. Montgomery, Henry F.G. Wey, III

Board Administrator

Nancy M. Hutt

Board Meeting

Fourth Tuesday of each month at 10:00 am



Investment Return (2003-2007, 5 Year and 23 Year Averages) 30% 25% 20% 15% 10% 5% 0% 03-07 85-07 03 04 05 06 07

Asset Growth (1998-2007) (Market Value in Millions) \$90 \$80 \$70 \$60 \$50 \$40 \$30 \$20 \$10 \$0 03 99 05 07

▶ Asset Allocation

See page 121 for PRIT asset allocation chart.

ACTUARIAL

• Funded Ratio	73.4%
Date of Last Valuation	01/07
• Actuary	Buck
Assumed Rate of Return	8.00%
• Funding Schedule	4.5% Increasing
Year Fully Funded	2028
Unfunded Liability	\$23.4 M
 Total Pension Appropriation (Fiscal 2008) 	\$3.0 M

Retired
258
\$4.9 M
\$19,200
72
NA

INVESTMENT

▶ 2007 Return	12.02%
▶ 2007 Target	8.50%
▶ 2007 Market Value	\$81.8 M
▶ 2003-2007 (Annualized)	16.35 %
▶ 1985-2007 (Annualized)	11.12%

Holyoke

20 Korean Veterans Plaza Room 207 Holyoke, MA 01040-5044 Phone 413-322-5590 Fax 413-322-5591

Board Members

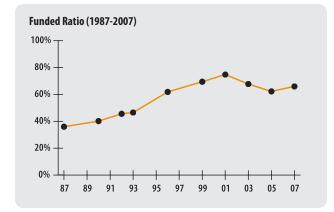
Russell J. McNiff (Chairperson), John T. McCarthy, Jorge Neves, Daniel R. Owens, Brian G. Smith

Board Administrator

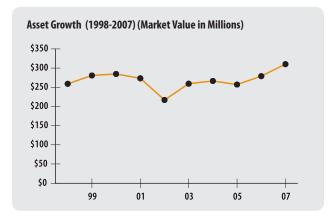
Daniel R. Owens

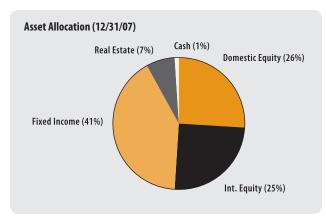
Board Meeting

Second Thursday of each month at 9:00 am



Investn	nent F	Returr	(200	3-200	7,51	/ear	and 2	23 Ye	ar Avei	rages	5)	
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ACTUARIAL

• Funded Ratio	66.0%
Date of Last Valuation	01/07
• Actuary	Segal
Assumed Rate of Return	8.25%
• Funding Schedule	Level
Year Fully Funded	2025
Unfunded Liability	\$90.4 M
• Total Pension Appropriation (Fiscal 2008)	\$11.8 M

	Active	Retired
 Number of Members 	1,289	915
 Total Payroll/Benefit 	\$49.8 M	\$16.7 M
 Average Salary/Benefit 	\$38,600	\$18,200
• Average Age	45	NA
Average Service	11.2 years	NA

INVESTMENT

Domestic Equity

- Boston Company Mid Cap Opportunistic Value **Equity Fund**
- Pyramis Select Equity Small Cap Collective Trust
- Smith Asset Management Group Small Cap **Equity Fund**
- UBS Large Cap Select Growth Fund
- Voyageur Equity Style Fund
- Voyageur Large Cap Value Fund

International Equity

- INVESCO IRT International Equity Fund
- Lazard Emerging Markets Equity Portfolio
- OFITC Emerging Markets Equity Fund
- SSgA MSCI-EAFE Index Fund
- Voyageur International Fund

Domestic Fixed Income

- Putnam High Yield Managed Trust
- Voyageur Core Plus Fixed Income Fund

Real Estate

- American Core Realty Fund, LLC
- Fidelity Real Estate Growth Fund, L.P.
- Fidelity Real Estate Growth Fund III, L.P.
- Intercontinental Real Estate Investment Fund III, LLC
- INVESCO Core Real Estate Fund
- TA Realty Associates Fund VII

Consultant

Segal Advisors

Custodian

▶ 2007 Return	7.34%
▶ 2007 Target	9.90%
▶ 2007 Market Value	\$183.0 M
▶ 2003-2007 (Annualized)	11.28%
▶ 1985-2007 (Annualized)	10.65%

Hull

253 Atlantic Avenue Hull, MA 02045 Phone 781-925-2282 Fax 781-925-8509

Board Members

ACTUARIAL

Marcia D. Bohinc (Chairperson), Gerald Ball, Leonard Colten, Maurice E. Murphy, Rocky Tenaglia

Board Administrator Jennifer Miller Board Meeting

Last Tuesday of the month





► Asset Allocation See page 121 for PRIT asset allocation chart.

• Funded Ratio	42.9%
Date of Last Valuation	01/06
• Actuary	Stone
Assumed Rate of Return	7.75%
• Funding Schedule	2.75% Increasing
Year Fully Funded	2026
Unfunded Liability	\$25.5 M
• Total Pension Appropriation (Fiscal 2008)	\$2.9 M

	Active	Retired
 Number of Members 	186	131
 Total Payroll/Benefit 	\$8.2 M	\$2.4 M
 Average Salary/Benefit 	\$44,000	\$18,700
• Average Age	47	NA
 Average Service 	10.5 years	NA

INVESTMENT

▶ 2007 Return	12.09%
▶ 2007 Target	7.75%
▶ 2007 Market Value	\$26.3 M
▶ 2003-2007 (Annualized)	15.43%
▶ 1985-2007 (Annualized)	9.23%

Lawrence

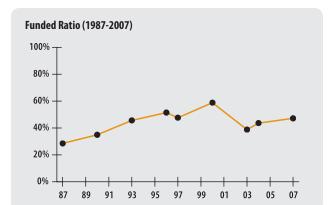
354 Merrimack Street Suite 302 Lawrence, MA 01843 Phone 978-620-3570 Fax 978-683-5894

Board Members

John A. Neilon, Jr. (Chairperson), William Bateman, David Camasso, William McGuire, Nancy B. Ross

Board Administrator

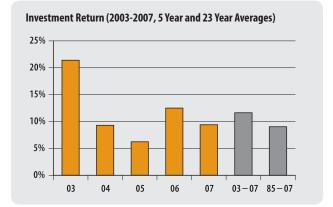
Diane Cockroft **Board Meeting**Varies



ACTUARIAL

• Funded Ratio	47.2%
Date of Last Valuation	01/07
• Actuary	Stone
Assumed Rate of Return	8.00%
• Funding Schedule	3.45% Increasing
Year Fully Funded	2028
Unfunded Liability	\$144.2 M
• Total Pension Appropriation (Fiscal 2008)	\$13.3 M

	Active	Retired
 Number of Members 	1,517	895
Total Payroll/Benefit	\$59.2 M	\$16.2 M
 Average Salary/Benefit 	\$39,000	\$18,100
• Average Age	44	NA
Average Service	9.9 years	NA



INVESTMENT

Domestic Equity

• INTECH Institutional Large Cap Growth Fund

Domestic Fixed Income

• Wellington Trust Co.-CIF II Core Bond Plus Portfolio

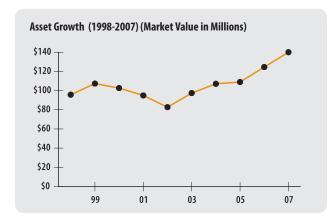
General Allocation

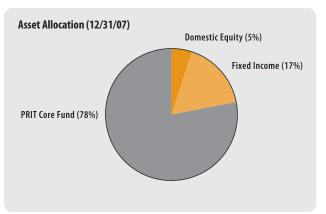
• PRIT

Consultant

• New England Pension Consultants

Custodian





▶ 2007 Return	9.40%
▶ 2007 Target	8.25%
▶ 2007 Market Value	\$140.0 M
▶ 2003-2007 (Annualized)	11.66%
▶ 1985-2007 (Annualized)	9.04%

Leominster

City Hall, Room 15 25 West Street Leominster, MA 01453 Phone 978-534-7507, ext. 246 Fax 978-534-7508

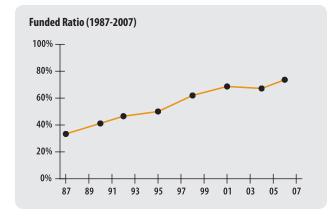
Board Members

John J. Richard (Chairperson), Paul R. Doig, David R. LaPlante, Aldo J. Mazzaferro, John F. Picone

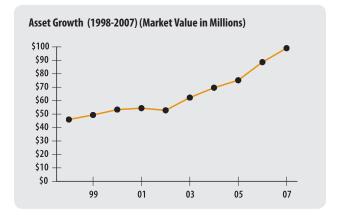
Board Administrator

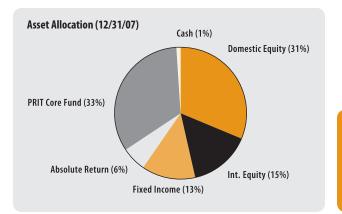
Anna Hamblin and A. Nancy Person **Board Meeting**Generally the last working day in each

Generally the last working day in each month



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ACTUARIAL

• Funded Ratio	73.7%
Date of Last Valuation	01/06
• Actuary	Stone
Assumed Rate of Return	8.00%
• Funding Schedule	2.5% Increasing
Year Fully Funded	2015
Unfunded Liability	\$26.8 M
• Total Pension Appropriation (Fiscal 2008)	\$5.1 M

	Active	Retired
 Number of Members 	660	365
 Total Payroll/Benefit 	\$22.1 M	\$5.6 M
 Average Salary/Benefit 	\$33,500	\$15,300
• Average Age	45	NA
 Average Service 	10.2 years	NA

INVESTMENT

Domestic Equity

- MFS Institutional Large Cap Value Fund
- Union Labor Life Small Cap Equity Account

International Equity

• Templeton Foreign Equity Series Fund

Domestic Fixed Income

• PRIT

General Allocation

• PRIT

Absolute Return

• PRIT

Custodian

▶ 2007 Return	10.82%
▶ 2007 Target	8.00%
▶ 2007 Market Value	\$99.0 M
▶ 2003-2007 (Annualized)	12.86%
▶ 1985-2007 (Annualized)	9.89%

Lexington

1625 Massachusetts Avenue Lexington, MA 02420 Phone 781-861-2720 Fax 781-861-2794

Board Members

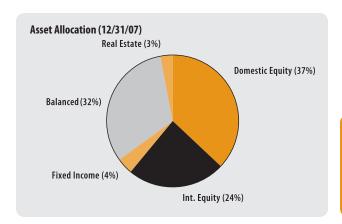
Robert Cunha (Chairperson), Robert Addelson, Alan Fields, Joseph Foley, Michael McNabb

Board Administrator Marguerite Oliva Board Meeting

Varies



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ACTUARIAL

• Funded Ratio	88.4%
Date of Last Valuation	01/06
• Actuary	Buck
Assumed Rate of Return	8.00%
• Funding Schedule	Level
Year Fully Funded	2015
Unfunded Liability	\$13.0 M
Total Pension Appropriation (Fiscal 2008)	\$3.4 M

	Active	Retired
 Number of Members 	581	390
 Total Payroll/Benefit 	\$22.2 M	\$6.3 M
Average Salary/Benefit	\$38,100	\$16,200
Average Age	NA	74
Average Service	NA	NA

INVESTMENT

Domestic Equity

- Earnest Partners, LLC
- Fidelity Contra Fund
- Hartford Capital Appreciation HLS Fund
- Wellington Trust Co.-CIF Emerging Companies Fund

International Equity

- Acadian International Equity Fund
- Julius Baer International Equity Fund II
- Wellington Trust Co.-CIF Asia Pacific ex Japan
 Portfolio

Domestic Fixed Income

• Wellington Trust Co.-CIF II Intermediate Bond Portfolio

Real Estate

• Beacon Capital Strategic Partners V, L.P.

Global Balanced Fund

- PIMCO All Asset Fund
- Wellington Trust Co.-CIF Opportunistic Investment Portfolio

Consultant

Meketa Investment Group

Custodian

▶ 2007 Return	13.32%
▶ 2007 Target	8.00%
▶ 2007 Market Value	\$121.4 M
▶ 2003-2007 (Annualized)	13.82%
▶ 1985-2007 (Annualized)	10.71%

Lowell

City Hall, Room 3 375 Merrimack Street Lowell, MA 01852-5998 Phone 978-970-4094 Fax 978-446-7019

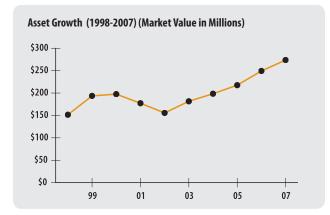
Board Members

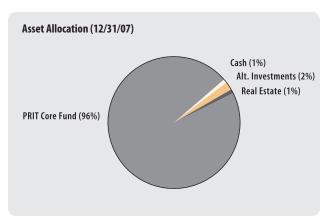
Joseph Mahoney (Chairperson), Michael M. Brennan, Bill Desrosiers, Tom Moses, Sheryl Wright

Board Administrator Rosemary Sullivan **Board Meeting** Varies



Investm	ent R	eturn (20	03-200	7, 5 Yeaı	r and 23 \	/ear Ave	rages)
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	05	04	03	00	07	05 (00 07





ACTUARIAL

• Funded Ratio	58.8%
Date of Last Valuation	01/07
• Actuary	Buck
Assumed Rate of Return	8.25%
• Funding Schedule	4.5% Increasing
Year Fully Funded	2028
Unfunded Liability	\$163.2 M
• Total Pension Appropriation (Fiscal 2008)	\$15.4 M

	Active	Retired
 Number of Members 	1,867	1,098
 Total Payroll/Benefit 	\$79.6 M	\$22.5 M
 Average Salary/Benefit 	\$42,700	\$20,500
• Average Age	NA	73
Average Service	NA	NA

INVESTMENT

Real Estate

- Intercontinental Real Estate Investment Fund III, LLC
- Sentinel Realty Partners IV & V

Alternative Investments

- Ascent Venture Partners II, III, IV, L.P.
- Boston Millennia Partners, L.P.
- Boston Millennia Partners II, L.P.
- Charles River Partnership VII, VIII, IX, X, XI
- DN Partners, L.P.
- New England Growth Fund I & II, L.P.
- North Atlantic Venture Fund II & III
- Novus Ventures II, L.P.
- Senior Tour Players Fund I

General Allocation

PRIT

Distribution Manager

• QCI Asset Management

Custodian

• Investors Bank & Trust

▶ 2007 Return	11.79%
▶ 2007 Target	8.50 %
▶ 2007 Market Value	\$273.6 M
▶ 2003-2007 (Annualized)	14.56%
▶ 1985-2007 (Annualized)	10.97%

Lynn

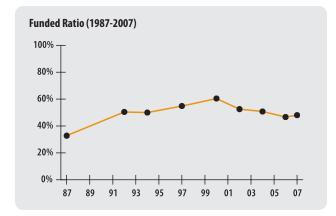
City Hall Room 106 Lynn, MA 01901 Phone 781-586-6897 Fax 781-595-9101

Board Members

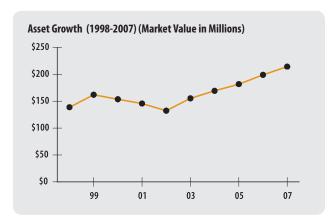
Michael J. Marks (Chairperson), Gordon "Buzzy" Barton, Richard Biagiotti, Joseph P. Driscoll, John E. Pace **Board Administrator**Gary Brenner

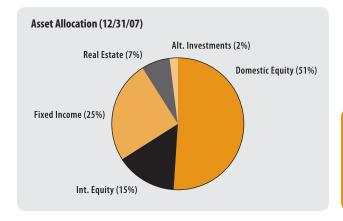
Board Meeting

Last Tuesday of each month at 9:30 am



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ACTUARIAL

• Funded Ratio	48.1%
Date of Last Valuation	01/07
• Actuary	PERAC
Assumed Rate of Return	8.25%
Funding Schedule	4.5% Increasing
Year Fully Funded	2027
Unfunded Liability	\$214.1 M
• Total Pension Appropriation (Fiscal 2008)	\$19.5 M

	Active	Retired
 Number of Members 	1,468	1,254
 Total Payroll/Benefit 	\$67.2 M	\$25.7 M
 Average Salary/Benefit 	\$45,800	\$20,500
Average Age	48	74
Average Service	13 years	NA

INVESTMENT

Domestic Equity

- Chase Investment Counsel Corporation
- Copper Rock Small Cap Growth Fund
- Earnest Partners, LLC
- Voyageur Large Cap Value Fund

International Equity

- Boston Company Non-US Value Equity Fund
- Jarislowsky Fraser International Equity Fund

Domestic Fixed Income

- de Burlo Group
- PIMCO Total Return Fund

Real Estate

- BlackRock Granite Property Fund
- Fidelity Real Estate Growth Fund III, L.P.
- SSgA Tuckerman / Property Redevelopment & Renovation Fund

Alternative Investments

- Ascent Venture Partners III & IV, L.P.
- BlackRock Diversified Private Equity Program III
- Novo Vita, L.P.

Consultant

Segal Advisors

Custodian

▶ 2007 Return	10.24%
▶ 2007 Target	9.25%
▶ 2007 Market Value	\$214.1 M
▶ 2003-2007 (Annualized)	12.44%
▶ 1985-2007 (Annualized)	9.49%

MHFA

One Beacon Street Boston, MA 02108 Phone 617-854-1871 Fax 617-854-1027

Board Members

Andris Silins (Chairperson), Michael Fitzmaurice, Paul T. Hynes, Christopher Johnson, Antonio Torres

Board Administrator

Joseph Petty

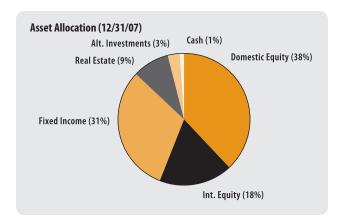
Board Meeting

Second Tuesday of each month at 1:30 pm



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Asset Growth (1998-2007) (Market Value in Millions) \$80 \$70 \$60 \$50 \$40 \$30 \$20 \$10 \$0 01 03 05 07



ACTUARIAL

• Funded Ratio	94.4%
Date of Last Valuation	01/07
• Actuary	Stone
Assumed Rate of Return	8.00%
• Funding Schedule	Level
Year Fully Funded	2013
Unfunded Liability	\$3.8 M
Total Pension Appropriation (Fiscal 2008)	\$1.0 M

	Active	Retired
 Number of Members 	315	78
 Total Payroll/Benefit 	\$22.7 M	\$2.0 M
 Average Salary/Benefit 	\$72,000	\$25,500
Average Age	44	67
Average Service	8.5 years	NA

INVESTMENT

Domestic Equity

- Independence Small Cap Fund
- SSgA Russell 1000 Growth Index Fund
- SSgA Russell 1000 Value Index Fund
- · Voyageur Asset Management, Inc.

International Equity

- Dimensional Emerging Markets Value Portfolio
- INVESCO IRT International Equity Fund

Domestic Fixed Income

- MacKay Shields Statutory Trust High Yield Series
- McDonnell Investment Management, LLC
- SSgA Treasury Inflation Protected Securities (TIPS) Fund

Real Estate

- Angelo Gordon Realty Fund IV, L.P.
- Clarion Lion Properties Fund

Alternative Investments

- Ascent Venture Partners II, III, IV, L.P.
- Goldman Sachs Private Equity Partners Fund
- HarbourVest Partners VIII Buyout Partnership Fund

Consultant

· Meketa Investment Group

Custodian

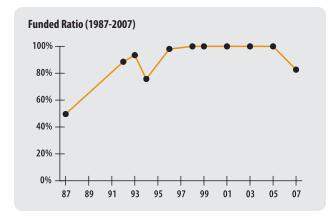
▶ 2007 Return	7.37%
▶ 2007 Target	8.00%
▶ 2007 Market Value	\$70.2 M
▶ 2003-2007 (Annualized)	10.44%
▶ 1985-2007 (Annualized)	8.66%

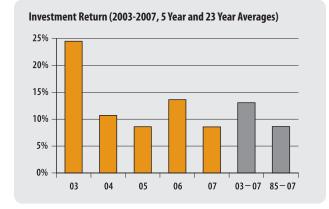
MWRA

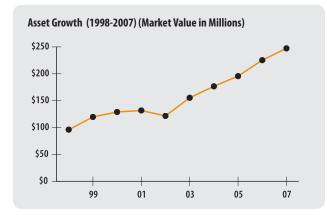
MWRA Chelsea Facility 2 Griffin Way Chelsea, MA 02150 Phone 617-305-5594 Fax 617-371-1616

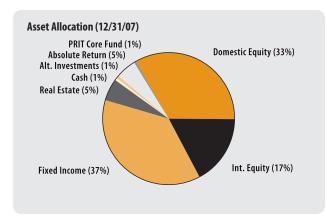
Board Members

James M. Fleming, Esq. (Chairperson), Thomas J. Durkin, Brian M. Leahy, Joseph A. MacRitchie, Esq., Robert E. Tierney, Esq. Board Administrator Brian M. Leahy Board Meeting Varies









ACTUARIAL

• Funded Ratio	82.7%
Date of Last Valuation	01/07
• Actuary	Buck
Assumed Rate of Return	8.00%
• Funding Schedule	4.5% Increasing
• Year Fully Funded	2024
Unfunded Liability	\$44.2 M
• Total Pension Appropriation (Fiscal 2008)	\$4.2 M

Active	Retired
1,127	267
\$75.4 M	\$6.1 M
\$66,900	\$22,700
NA	65
NA	NA
	1,127 \$75.4 M \$66,900 NA

INVESTMENT

Domestic Equity

- Boston Partners Asset Management, L.P.
- Loomis Sayles Small Company Growth Fund
- MFS Institutional Advisors, Inc.
- Putnam Core Growth Equity Fund
- RhumbLine S&P 500 Pooled Index Fund

International Equity

- Boston Company Non-US Value Equity Fund
- Brandywine International Equity Value Fund

Domestic Fixed Income

- INVESCO, Inc.
- Loomis Sayles Fixed Income Fund

Real Estate

- BlackRock Apartment Value Fund III, L.P.
- Intercontinental Real Estate Investment Fund IV, LLC
- Carey Corporate Properties Associates Fund 15
- Morgan Stanley Prime Property Fund

Alternative Investments

- AIG Private Equity Portfolio V
- Ascent Venture Partners II & IV, L.P.
- Boston Capital Ventures III
- Castile Ventures III, L.P.
- Concord Partners III, L.P.
- Foundry Venture Capital 2007, LP
- INVESCO Venture Partnership Fund IV, L.P.

General Allocation

• PRIT

Absolute Return

• PRIT

Commission Recapture

- Abel/Noser Corporation
- Lynch, Jones & Ryan

Consultant

• New England Pension Consultants

Custodian

▶ 2007 Return	8.57%
▶ 2007 Target	8.32%
▶ 2007 Market Value	\$247.1 M
▶ 2003-2007 (Annualized)	13.07%
▶ 1985-2007 (Annualized)	8.66%

Malden

Government Center, Room 222 200 Pleasant Street Malden, MA 02148 Phone 781-397-7086 Fax 781-397-7358

Board Members

ACTUARIAL

Domenic Fermano (Chairperson), Warren Atkinson, Jr., Joanne Croken, Douglas Eisnor, Ronald B. Hogan

Board Administrator

Kevin Morrison

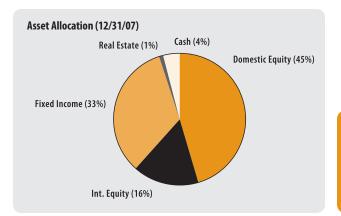
Board Meeting

Third Wednesday of each month



Investment Return (2003-2007, 5 Year and 23 Year Averages) 16% 14% 12% 10% 8% 6% 4% 2% 03-07 85-07

Asset Growth (1998-2007) (Market Value in Millions) \$180 \$160 \$140 \$120 \$100 \$80 \$60 \$40 \$20 \$0 99 01 03 05 07



• Funded Ratio 71.3% 01/06 • Date of Last Valuation Actuary PERAC · Assumed Rate of Return 8.00% • Funding Schedule 2.0% Increasing

• Year Fully Funded 2028 Unfunded Liability \$55.8 M • Total Pension Appropriation (Fiscal 2008) \$8.0 M

Active Retired 899 • Number of Members 658

• Total Payroll/Benefit \$33.8 M \$11.4 M · Average Salary/Benefit \$37,600 \$17,300 47 73 • Average Age NA • Average Service 11.4 years

INVESTMENT

Total Portfolio

• de Burlo Group

Custodian

▶ 2007 Return	15.86%
▶ 2007 Target	8.00%
▶ 2007 Market Value	\$165.1 M
▶ 2003-2007 (Annualized)	11.76%
▶ 1985-2007 (Annualized)	11.12%

Marblehead

Mary Alley Building 7 Widger Road Marblehead, MA 01945 Phone 781-639-3418 Fax 781-631-2617

Board Members

Anthony M. Sasso (Chairperson), Paul Jalbert, John McGinn, Robert F. Peck, Jr., Calvin R. Powers

Board Administrator Matthew P. Barrett Board Meeting Varies



Asset Growth (1998-2007) (Market Value in Millions) \$100 \$90 \$80 \$70 \$60 \$50 \$40 \$30 \$20 \$10 \$0 99 01 03 05 07

► Asset Allocation See page 121 for PRIT asset allocation chart.

ACTUARIAL

83.3%
01/06
Buck
8.00%
4.5% Increasing
2023
\$13.8 M
\$2.3 M

Active	Retired
369	317
\$14.2 M	\$5.2 M
\$38,400	\$16,400
NA	73
NA	NA
	369 \$14.2 M \$38,400 NA

INVESTMENT

▶ 2007 Return	12.07%
▶ 2007 Target	8.39%
▶ 2007 Market Value	\$91.0 M
▶ 2003-2007 (Annualized)	16.39%
▶ 1985-2007 (Annualized)	11.05%

Marlborough

City Hall 140 Main Street Marlborough, MA 01752-3812 Phone 508-460-3760 Fax 508-481-7814

Board Members

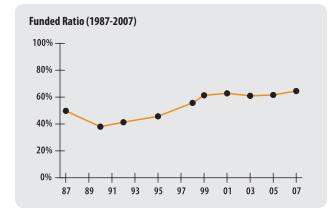
Gregory P. Brewster (Chairperson), Thomas J. Abel, Christopher M. Sandini, Sr., Diane Smith, William Taylor

Board Administrator

Margaret R. Shea

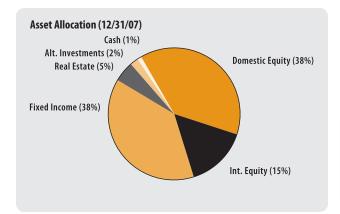
Board Meeting

Usually the last Monday of each month



Investment Return (2003-2007, 5 Year and 23 Year Averages) 25% 20% 15% 10% 5% 0% 04 05 03-07 85-07 03 06





ACTUARIAL

• Funded Ratio	64.5%
Date of Last Valuation	01/07
• Actuary	Buck
Assumed Rate of Return	8.00%
• Funding Schedule	2.25% Increasing
Year Fully Funded	2022
Unfunded Liability	\$48.1 M
Total Pension Appropriation (Fiscal 2008)	\$6.0 M

	Active	Retired
 Number of Members 	674	339
 Total Payroll/Benefit 	\$26.9 M	\$7.0 M
 Average Salary/Benefit 	\$39,800	\$20,600
• Average Age	NA	72
Average Service	NA	NA

INVESTMENT

Domestic Equity

- Batterymarch US Small Cap Equity Growth Fund
- PENN Midcap Equity Fund, LP
- RhumbLine S&P 500 Pooled Index Fund

International Equity

- Boston Company Non-US Value Equity Fund
- Neuberger Berman International Large Cap Fund
- Institutional Class

Domestic Fixed Income

- Shenkman Capital Management / Credos High Yield Bond Fund
- SSgA Passive Bond Market Index SL Fund
- SSgA Treasury Inflation Protected Securities (TIPS) Fund

Alternative Investments

• North American Strategic Partners 2006, L.P.

Real Estate

• Clarion Lion Properties Fund

Consultant

• Meketa Investment Group

Custodian

▶ 2007 Return	6.82%
▶ 2007 Target	8.00%
▶ 2007 Market Value	\$93.7 M
▶ 2003-2007 (Annualized)	11.80%
▶ 1985-2007 (Annualized)	9.64%

Massport

One Harborside Drive Suite 200S East Boston, MA 02128 Phone 617-568-3951 Fax 617-568-3957

Board Members

James P. Costello (Chairperson), David W. Davis, Michael A. Grieco, Philip H. Mallett, John P. Pranckevicius

Board Administrator

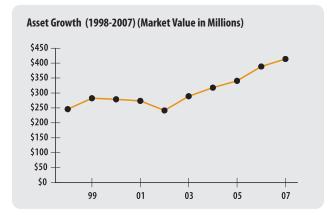
Irene E. Moran

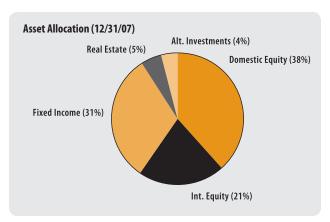
Board Meeting

Generally the last Wednesday of each month



Investment Return (2003-2007, 5 Year and 23 Year Averages) 25% 20% 15% 10% 5% 0% 03 04 05 06 07 03-07 85-07





ACTUARIAL

• Funded Ratio	103.0%
Date of Last Valuation	01/07
• Actuary	Stone
Assumed Rate of Return	7.75%
• Funding Schedule	Fully Funded
Year Fully Funded	NA
Unfunded Liability	\$-10.8 M
Total Pension Appropriation (Fiscal 2008)	\$1.0 M

	Active	Retired
 Number of Members 	1,171	469
 Total Payroll/Benefit 	\$76.8 M	\$12.6 M
 Average Salary/Benefit 	\$65,600	\$26,900
Average Age	NA	NA
Average Service	NA	NA

INVESTMENT

Domestic Equity

- Mazama Capital Management
- Pzena Investment Management
- SSgA S&P 500 Flagship Fund

International Equity

- Pyramis Select International Equity Commingled
- Templeton Institutional Funds, Foreign Equity

Domestic Fixed Income

• Wellington Trust Co.-CIF II Core Bond Plus Portfolio

Real Estate

• PRIT

Alternative Investments

- Copley Partners I & II
- PRIT

Consultant

Wilshire Associates

Custodian

▶ 2007 Return	7.93%
▶ 2007 Target	7.42%
▶ 2007 Market Value	\$413.8 M
▶ 2003-2007 (Annualized)	12.98%
▶ 1985-2007 (Annualized)	10.49%

Mass **Turnpike** 10 Park Plaza Suite 4155 Boston, MA 02116 Phone 617-248-2942 Fax 617-248-2980

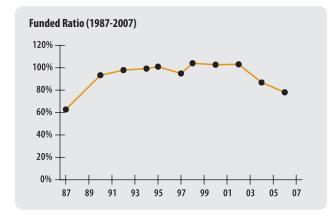
Board Members

Ann Journeay (Chairperson), Gerald F. Coughlin, David Grenon, Francis M. Hoey, George Reed

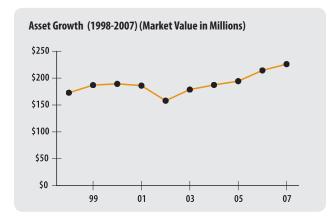
Board Administrator

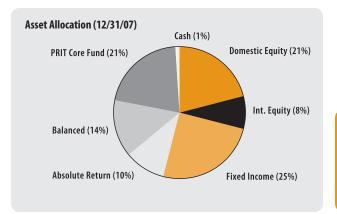
Thomas L. Arcadipane **Board Meeting**

Last Wednesday of each month



Investn	nent F	Returr	ı (2003	3-2007	, 5 Yeaı	and 23	Year Avera	ges)
25% —								
20%								
15%								
10%							_	
5% -								
0% +	03	(04	05	06	07	03-07	85-07





ACTUARIAL

• Funded Ratio	78.1%
Date of Last Valuation	01/06
• Actuary	Segal
Assumed Rate of Return	8.50%
• Funding Schedule	4.5% Increasing
Year Fully Funded	2028
Unfunded Liability	\$55.1 M
Total Pension Appropriation (Fiscal 2008)	\$6.2 M

	Active	Retired
 Number of Members 	1,311	684
 Total Payroll/Benefit 	\$70.6 M	\$13.6 M
 Average Salary/Benefit 	\$53,800	\$19,900
• Average Age	47	71
Average Service	12.1 years	NA

INVESTMENT

Domestic Equity

- Boston Company Asset Management, LLC
- Cadence Capital Management, LLC
- Cooke & Bieler, L.P.

International Equity

• Brandywine International Equity Value Fund

Domestic Fixed Income

• PRIT

Global Balanced Fund

- Mellon Global Alpha I Fund
- PIMCO All Asset Fund

General Allocation

• PRIT

Absolute Return

• PRIT

Consultant

• New England Pension Consultants

Custodian

▶ 2007 Return	8.46%
▶ 2007 Target	8.50 %
▶ 2007 Market Value	\$225.9 M
▶ 2003-2007 (Annualized)	11.69%
▶ 1985-2007 (Annualized)	9.74%

Maynard

195 Main Street Maynard, MA 01754 Phone 978-897-1820 Fax 978-897-0565

Board Members

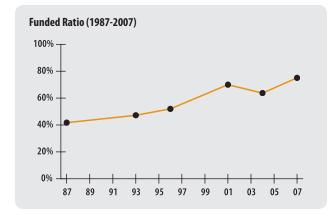
Kenneth R. DeMars (Chairperson), Gerard P. Flood, Robert W. Larkin, Thomas A. Natoli

Board Administrator

Timothy McDaid

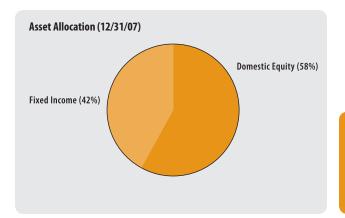
Board Meeting

Last Thursday of each month at 12:15 pm



Investment Return (2003-2007, 5 Year and 23 Year Averages) 20% 18% 16% 14% 12% 10% 8% 6% 4% 2% 0% 03 04 05 06 07 03-07 85-07

Asset Growth (1998-2007) (Market Value in Millions) \$30 \$25 \$20 \$15 \$10 \$5 \$0 03 99 01 05 07



ACTUARIAL

• Funded Ratio	75.1%
Date of Last Valuation	01/07
• Actuary	PERAC
Assumed Rate of Return	8.00%
• Funding Schedule	3.75% Increasing
Year Fully Funded	2023
Unfunded Liability	\$7.6 M
Total Pension Appropriation (Fiscal 2008)	\$1.5 M

	Active	Retired
 Number of Members 	186	85
 Total Payroll/Benefit 	\$6.6 M	\$1.5 M
 Average Salary/Benefit 	\$35,300	\$17,100
• Average Age	47	72
 Average Service 	10.1 years	NA

INVESTMENT

Domestic Equity

• Boston Advisors, Inc.

Domestic Fixed Income

• BlackRock Capital Management

Custodian

▶ 2007 Return	8.92%
▶ 2007 Target	8.69 %
▶ 2007 Market Value	\$26.2 M
▶ 2003-2007 (Annualized)	11.28%
▶ 1985-2007 (Annualized)	9.03%

Medford

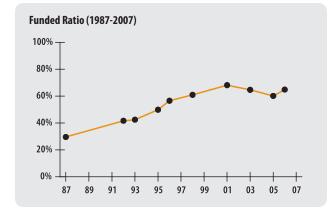
City Hall Room 215 Medford, MA 02155 Phone 781-393-2521, 781-393-2516 (TDD#) Fax 781-393-2522

Board Members

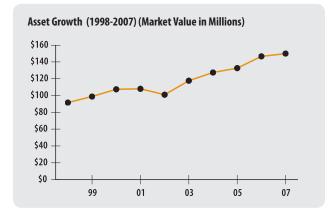
Thomas A. Cangiano (Chairperson), Gilda Antolini, Anne C. Baker, Rick Jordan, James Vieira

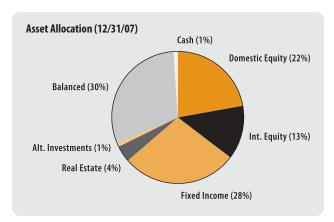
Board Administrator Tina Rapatano **Board Meeting**

Varies



Investment Return (2003-2007, 5 Year and 23 Year Averages) 25% 20% 15% 10% 5% 0% 03 05 06 07 03-07 85-07 04





ACTUARIAL

• Funded Ratio	64.9%
Date of Last Valuation	01/06
• Actuary	Buck
Assumed Rate of Return	7.50%
• Funding Schedule	4.5% Increasing
Year Fully Funded	2026
Unfunded Liability	\$69.8 M
Total Pension Appropriation (Fiscal 2008)	\$8.0 M

	Active	Retired
 Number of Members 	699	634
 Total Payroll/Benefit 	\$30.5 M	\$12.1 M
 Average Salary/Benefit 	\$43,600	\$19,100
Average Age	NA	75
Average Service	NA	NA

INVESTMENT

Domestic Equity

- Loomis Sayles Small Cap Value Fund
- RhumbLine S&P 500 Pooled Index Fund
- RhumbLine S&P Mid-Cap 400 Pooled Index Fund
- SSgA Index Plus Edge Strategy Fund

International Equity

• INVESCO IRT International Equity Fund

Domestic Fixed Income

• Columbia Management Group, Inc.

Real Estate

- BlackRock Apartment Value Fund III, L.P.
- PRIT

Alternative Investments

• PRIT

Global Balanced

- Mellon Global Alpha I Fund
- PIMCO All Asset Fund
- Wellington Trust Co.-CIF Opportunistic Investment Portfolio

Consultant

• New England Pension Consultants

Custodian

▶ 2007 Return	6.91%
▶ 2007 Target	8.50 %
▶ 2007 Market Value	\$150.0 M
▶ 2003-2007 (Annualized)	11.85%
▶ 1985-2007 (Annualized)	10.26%

Melrose

562 Main Street Melrose, MA 02176 Phone 781-979-4150 or 4151 Fax 781-979-4206

Board Members

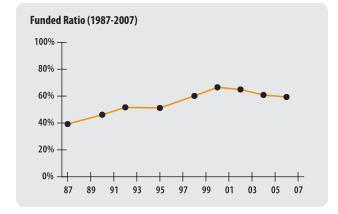
John P. O'Neil (Chairperson), Patrick DelloRusso, Robert J. Dolan, Gerard W. O'Neil, Maria Zizza

Board Administrator

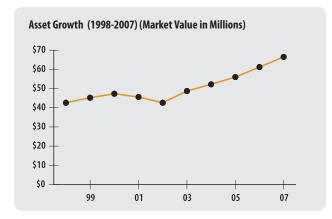
Barbara-Jo Belliveau

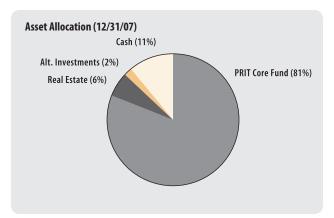
Board Meeting

Usually the last Wednesday of each month at 11:00 am



Investm	ent Ret	urn (200	3-2007, 5	Year an	d 23 Yea	r Averages	;)
20% —							
16% — 14% — 12% —							
10% — 8% — 6% —							
4% — 2% —							
0% +	03	04	05	06	07	03-07 8	5-07





ACTUARIAL

Funded Ratio	59.4%
Date of Last Valuation	01/06
• Actuary	PERAC
Assumed Rate of Return	8.00%
• Funding Schedule	4.0% Increasing
Year Fully Funded	2021
Unfunded Liability	\$37.6 M
Total Pension Appropriation (Fiscal 2008)	\$5.4 M

	Active	Retired
 Number of Members 	444	394
 Total Payroll/Benefit 	\$13.8 M	\$6.6 M
 Average Salary/Benefit 	\$31,200	\$16,900
Average Age	46	73
Average Service	9.1 years	NA

INVESTMENT

Real Estate

- Clarion Lion Properties Fund
- Intercontinental Real Estate Investment Fund II, LLC
- SSgA Tuckerman / Property Redevelopment & Renovation Fund
- TA Realty Associates Fund V & VII

Alternative Investments

- Ascent Venture Partners IV, L.P.
- INVESCO Non-U.S. Partnership Fund III, L.P.
- INVESCO U.S. Buyout & Expansion Capital Partnership Fund III, L.P.
- INVESCO Venture Partnership Fund III & IV, L.P.
- Keystone Venture V

General Allocation

• PRIT

Consultant

• Segal Advisors

Custodian

▶ 2007 Return	11.13%
▶ 2007 Target	8.50 %
▶ 2007 Market Value	\$66.5 M
▶ 2003-2007 (Annualized)	12.37%
▶ 1985-2007 (Annualized)	9.96%

Methuen

41 Pleasant Street Suite 303 Methuen, MA 01844 Phone 978-983-8620 Fax 978-983-8972

Board Members

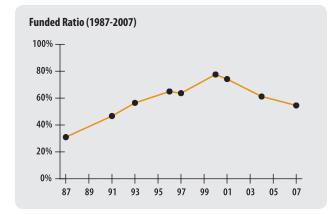
Thomas J. Kelly (Chairperson), Sharon Cutter, Robert J. DeLuca, Michael Hennessy, Albert J. Trott, III

Board Administrator

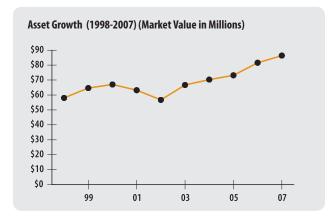
Terrylee Murphy

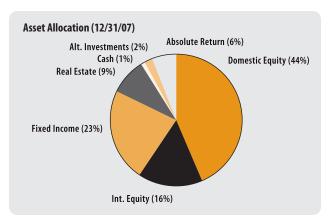
Board Meeting

Last Thursday of each month at 9:30 am



Investment Return (2003-2007, 5 Year and 23 Year Averages) 25% 20% 15% 10% 5% 0% 04 05 03-07 85-07 03 06 07





ACTUARIAL

• Funded Ratio	54.6%
Date of Last Valuation	01/07
• Actuary	PERAC
Assumed Rate of Return	8.00%
Funding Schedule	4.5% Increasing
Year Fully Funded	2028
Unfunded Liability	\$66.5 M
Total Pension Appropriation (Fiscal 2008)	\$5.4 M

	Active	Retired
 Number of Members 	701	399
 Total Payroll/Benefit 	\$29.3 M	\$7.7 M
 Average Salary/Benefit 	\$41,700	\$19,200
Average Age	45	72
Average Service	11.2 years	NA

INVESTMENT

Domestic Equity

- New Amsterdam Partners, LLC
- DCM Small Cap Equity Fund

International Equity

• Brandes International Equity Trust

Domestic Fixed Income

- Bradford & Marzec Strategic High Yield Portfolio
- Wells Capital Management Total Return Bond Fund

Real Estate

- RREEF America REIT II
- Sentinel Realty Partners IV

Alternative Investments

• BlackRock Diversified Private Equity Program III

Absolute Return

• PRIT

Consultant

Segal Advisors

Custodian

▶ 2007 Return	6.88%
▶ 2007 Target	8.50 %
▶ 2007 Market Value	\$86.4 M
▶ 2003-2007 (Annualized)	10.60%
▶ 1985-2007 (Annualized)	9.18%

Middlesex

P. O. Box 160 25 Linnell Circle Billerica, MA 01865 Phone 800-258-3805, 978-439-3000 Fax 978-439-3050

Board Members

Thomas F. Gibson, Esq. (Chairperson), John Brown, Brian P. Curtin, James M. Gookin Edgar W. McLean, Jr.

Board Administrator

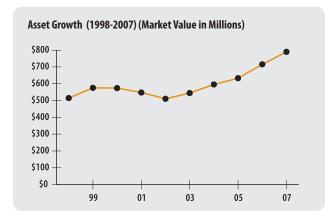
Jacqueline Williams

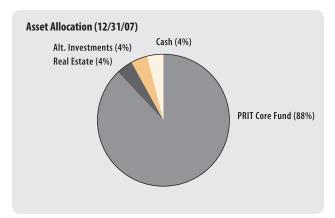
Board Meeting

Meets monthly, usually on Thursday



Investment Return (2003-2007, 5 Year and 23 Year Averages) 14% 12% 10% 8% 6% 4% 2% 0% 03-07 85-07 03 04 05 06 07





ACTUARIAL

• Funded Ratio	47.9%
Date of Last Valuation	01/06
• Actuary	Segal
Assumed Rate of Return	8.25%
• Funding Schedule	4.5% Increasing
Year Fully Funded	2028
Unfunded Liability	\$711.4 M
• Total Pension Appropriation (Fiscal 2008)	\$64.1 M

	Active	Retired
 Number of Members 	9,106	4,763
Total Payroll/Benefit	\$318.7 M	\$75.8 M
Average Salary/Benefit	\$35,000	\$15,900
Average Age	46	NA
Average Service	9.1 years	NA

INVESTMENT

Real Estate

- BlackRock Apartment Value Fund III, L.P.
- Geometry Real Estate LLC
- Geometry Real Estate III, L.P.
- GFP Timberland III L.L.C.
- GFP World Timberfund L.L.C.
- Intercontinental Real Estate Investment Fund III & IV, LLC
- Sentinel Realty Partners V
- SSgA Tuckerman / Multi-Family Development Program III
- SSgA Tuckerman / Residential Income and Value Added (RIVA) Fund
- TA Realty Associates Fund VI
- Value Enhancement Fund III, IV, V & VI

Alternative Investments

- Alliance Technology Ventures III, L.P.
- Ascend Ventures, L.P.
- Ascent Venture Partners II & III, L.P.
- Auda Partners, L.P.
- Axxon Capital, L.P.
- Bachow Investment Partners III, L.P.
- Boston Millennia Partners, L.P.
- Boston Millennia Partners II, L.P.
- Crescent Capital
- Duke Street Capital Fund III, V & VI
- First America Asia Fund I, LLC

- Globespan Capital Partners IV & V, L.P.
- INVESCO Non-U.S. Partnership Fund III, L.P.
- New England Growth Fund I & II, L.P.
- North Atlantic Venture Fund II & III
- Novo Vita, L.P.
- Novus Ventures II, L.P.
- PRISM Venture Partners I & III, L.P.
- Thomas H. Lee Equity Fund V, L.P.
- Weiss, Peck & Greer Corporate Development IV, L.P.
- Zero Stage Capital V, L.P.

General Allocation

PRIT

Custodian

▶ 2007 Return	10.69%
▶ 2007 Target	8.50 %
▶ 2007 Market Value	\$790.4 M
▶ 2003-2007 (Annualized)	10.73%
▶ 1985-2007 (Annualized)	9.85%

Milford

Town Hall, Room 17 52 Main Street Milford, MA 01757 Phone 508-634-2321 Fax 508-634-0902

Board Members

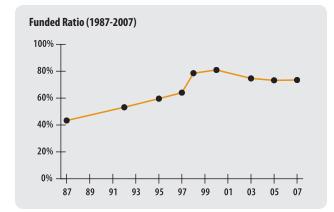
Ernest Pettinari, Esq. (Chairperson), Michael A. Diorio, CPA, Gerald F. Hennessy, John P. Pyne, Jr., David Sacco

Board Administrator

Linda DeDominick

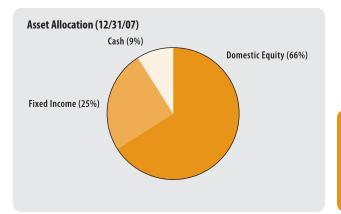
Board Meeting

Fourth Tuesday of each month at 1:00 pm



Investment Return (2003-2007, 5 Year and 23 Year Averages) 25% 20% 15% 10% 5% 0% 03 04 05 06 07 03-07 85-07

Asset Growth (1998-2007) (Market Value in Millions) \$70 \$60 \$50 \$40 \$30 \$20 \$10 \$0 01 03 05 07



ACTUARIAL

• Funded Ratio	73.5%
Date of Last Valuation	01/07
• Actuary	PERAC
Assumed Rate of Return	8.00%
• Funding Schedule	4.5% Increasing
Year Fully Funded	2028
Unfunded Liability	\$21.3 M
Total Pension Appropriation (Fiscal 2008)	\$2.6 M

Active	Retired
423	288
\$15.5 M	\$4.3 M
\$36,700	\$15,000
48	73
11.5 years	NA
	423 \$15.5 M \$36,700 48

INVESTMENT

Domestic Equity

• Boston Advisors, Inc.

Domestic Fixed Income

• BlackRock Capital Management

Custodian

▶ 2007 Return	8.85%
▶ 2007 Target	8.00%
▶ 2007 Market Value	\$67.0 M
▶ 2003-2007 (Annualized)	12.01%
▶ 1985-2007 (Annualized)	9.88%

Milton

525 Canton Avenue Milton, MA 02186 Phone 617-898-4887 Fax 617-698-6741

Board Members

David S. Grab (Chairperson), John H. Bowie, Jr., Robert J. Byron, Joseph G. Graziani, Jr., Richard J. Madigan

Board Administrator

Kevin Cleary

Board Meeting

Last Thursday of each month at 3:30 pm



Investm	ent F	Retui	n (2	003-	200	7, 5	Year	and	23 \	(ear Averages)
30% —										
25%										
20%										
15%										_
10%			-	-						
5% 📙			-	_						
0% 📙		Щ		\perp		_		_		
	03		04		05		06		07	03-07 85-07

Asset Growth (1998-2007) (Market Value in Millions) \$100 \$90 \$80 \$70 \$60 \$50 \$40 \$30 \$20 \$10 \$0 01 03 05 99 07

▶ Asset Allocation

See page 121 for PRIT asset allocation chart.

ACTUARIAL

• Funded Ratio	80.5%
Date of Last Valuation	01/07
• Actuary	PERAC
Assumed Rate of Return	8.25%
• Funding Schedule	4.5% Increasing
Year Fully Funded	2016
Unfunded Liability	\$18.0 M
Total Pension Appropriation (Fiscal 2008)	\$3.5 M

	Active	Retired
 Number of Members 	349	290
 Total Payroll/Benefit 	\$15.9 M	\$5.8 M
 Average Salary/Benefit 	\$45,600	\$20,000
• Average Age	45	73
Average Service	11.5 years	NA

INVESTMENT

▶ 2007 Return	11.60%
▶ 2007 Target	8.50%
▶ 2007 Market Value	\$90.4 M
▶ 2003-2007 (Annualized)	15.60%
▶ 1985-2007 (Annualized)	11.25%

Minuteman Regional

758 Marrett Road Lexington, MA 02421 Phone 781-861-6500 Fax 781-863-1747

Board Members

ACTUARIAL

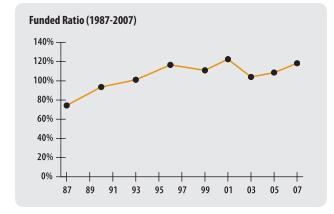
Janet B. Killeen (Chairperson), Norman Cohen, Donald Essman, Linda J. Gendall, Maria Oliveira

Board Administrator

Janet B. Killeen

Board Meeting

Generally the second Wednesday of each month



Investr	nent R	leturn (2	003-200	7, 5 Year	and 23 Y	ear Averag	jes)
30% ¬							
25% –							
20% –	-						
15% –	_					_	
10% –	_	_		_			-
5% –	_					-	-
0% -							
	03	04	05	06	07	03-07	85-07

Asset Growth (1998-2007) (Market Value in Millions) \$14 \$12 \$10 \$8 \$6 \$4 \$2 \$0 03 05 07 99 01

▶ Asset Allocation See page 121 for PRIT asset allocation chart.

• Funded Ratio	118.3%
Date of Last Valuation	01/07
• Actuary	PERAC
Assumed Rate of Return	8.00%
• Funding Schedule	Fully Funded
Year Fully Funded	NA
Unfunded Liability	\$-1.6 M
Total Pension Appropriation (Fiscal 2008)	\$0.1 M

	Active	Retired
 Number of Members 	48	28
 Total Payroll/Benefit 	\$2.1 M	\$0.4 M
 Average Salary/Benefit 	\$44,600	\$14,900
• Average Age	48	74
Average Service	11.9 years	NA

INVESTMENT

▶ 2007 Return	12.12%
▶ 2007 Target	8.50%
▶ 2007 Market Value	\$12.7 M
▶ 2003-2007 (Annualized)	16.49%
▶ 1985-2007 (Annualized)	11.46%

Montague

One Avenue A Turners Falls, MA 01376 Phone 413-863-3200, ext. 111 Fax 413-863-3224

Board Members

ACTUARIAL

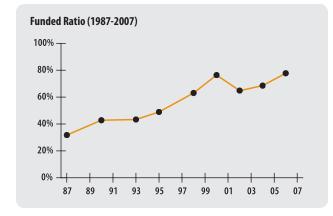
Carolyn S. Olsen (Chairperson), Frank Abbondanzio, David R. Dion, Marianne Fiske, Leo J. Parent

Board Administrator

Shari Hildreth

Board Meeting

Usually the fourth Tuesday of each month at 1:00 pm



Investment Return (2003-2007, 5 Year and 23 Year Averages)							
30% —							
25%							
20%							
15%	-		1			_	
10%	-						-
5% —	-	_			_		-
0% 📙							Щ,
	03	04	05	06	07	03-07	85-07

Asset Growth (1998-2007) (Market Value in Millions) \$30 -\$25 \$20 \$15 \$10 \$5 \$0 03 05 07 99 01

▶ Asset Allocation

See page 121 for PRIT asset allocation chart.

• Funded Ratio	77.8%
Date of Last Valuation	01/06
• Actuary	PERAC
Assumed Rate of Return	8.00%

2.0% Increasing • Funding Schedule • Year Fully Funded 2015 • Unfunded Liability \$5.6 M \$1.3 M

• Total Pension Appropriation (Fiscal 2008)

	Active	Retired
 Number of Members 	219	108
 Total Payroll/Benefit 	\$5.4 M	\$1.4 M
Average Salary/Benefit	\$24,800	\$12,900
Average Age	46	71
Average Service	9 years	NA

INVESTMENT

▶ 2007 Return	12.10%
▶ 2007 Target	8.50 %
▶ 2007 Market Value	\$26.1 M
▶ 2003-2007 (Annualized)	16.37%
▶ 1985-2007 (Annualized)	10.93%

13 East Central Street Natick, MA 01760 Phone 508-647-6440 Fax 508-647-6443

Board Members

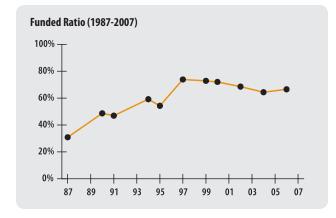
Robert J. Drew (Chairperson), David Given, John D. Mahaney, Michael J. Melchiorri, Fred E. Witte

Board Administrator

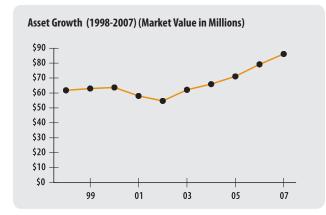
Kathleen S. Bacon

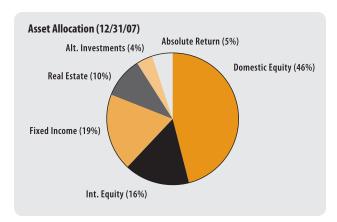
Board Meeting

Usually the last Wednesday of each month at 2:00 pm



Investment Return (2003-2007, 5 Year and 23 Year Averages) 20% 18% 16% 14% 12% 10% 8% 6% 4% 2% 0% 03 04 05 03-07 85-07 06 07





ACTUARIAL

Funded Ratio	66.6%
Date of Last Valuation	01/06
• Actuary	Segal
Assumed Rate of Return	8.00%
• Funding Schedule	4.5% Increasing
Year Fully Funded	2026
Unfunded Liability	\$39.7 M
• Total Pension Appropriation (Fiscal 2008)	\$5.5 M

	Active	Retired
 Number of Members 	584	367
 Total Payroll/Benefit 	\$24.8 M	\$6.4 M
 Average Salary/Benefit 	\$42,500	\$17,400
Average Age	47	NA
Average Service	11.7 years	NA

INVESTMENT

Domestic Equity

- Eaton Vance Large Cap Value Fund
- Independence SMID Core Fund
- SSgA US Large Cap Growth Opportunities Fund

International Equity

• Hotchkis and Wiley International Equity Group
Trust

Domestic Fixed Income

 Hartford Institutional Trust — Core Plus Fixed Income Series

Real Estate

- Intercontinental Real Estate Investment Fund III, LLC
- PRIT
- Sentinel Realty Partners VI

Alternative Investments

- First America Asia Fund I
- North American Strategic Partners 2006, L.P.

Absolute Return

• PRIT

Consultant

• Segal Advisors

Custodian

▶ 2007 Return	9.14%
▶ 2007 Target	8.50%
▶ 2007 Market Value	\$86.1 M
▶ 2003-2007 (Annualized)	10.24%
▶ 1985-2007 (Annualized)	9.45%

Needham

Town Hall 1471 Highland Avenue Needham, MA 02492-2605 Phone 781-455-7595 Fax 781-449-4569

Board Members

ACTUARIAL

Evelyn M. Poness (Chairperson), Kathleen P. Fitzpatrick, John P. Krawiecki, Robert P. Mearls, Thomas A. Welch

• Total Pension Appropriation (Fiscal 2008)

Board Administrator

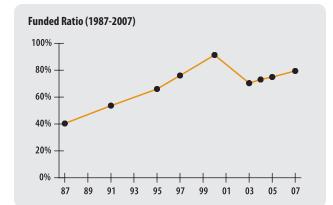
MaryClare Siegel

Board Meeting

Usually second Wednesday of each month at 8:30 am

\$4.0 M

\$16,200



Investment Return (2003-2007, 5 Year and 23 Year Averages) 30% 25% 20% 15% 10% 5% 0%

06

03-07 85-07

Asset Growth (1998-2007) (Market Value in Millions) \$140 \$120 \$100 \$80 \$60 \$40 \$20 \$0 05 99 01 03 07

▶ Asset Allocation

03

04

05

See page 121 for PRIT asset allocation chart.

• Funded Ratio	79.5%
Date of Last Valuation	01/07
• Actuary	Buck
Assumed Rate of Return	8.25%
• Funding Schedule	4.5% Increasing
Year Fully Funded	2021
Unfunded Liability	\$26.4 M

	Active	Retired
 Number of Members 	648	513
 Total Payroll/Benefit 	\$26.1 M	\$8.3 M

NA 75 • Average Age NANA• Average Service

\$40,300

INVESTMENT

• Average Salary/Benefit

▶ 2007 Return	12.06%
▶ 2007 Target	8.50%
▶ 2007 Market Value	\$123.9 M
▶ 2003-2007 (Annualized)	16.20%
▶ 1985-2007 (Annualized)	11.69%

New Bedford

651 Orchard Street, #203A New Bedford, MA 02744-1008 Phone 508-979-1538 Fax 508-979-1799

Board Members

Arthur J. Caron, Jr. (Chairperson), Dennis C. Brightman, Paul M. Lestage, Peter C. Schmidt, Edward J. Wiley

Board Administrator

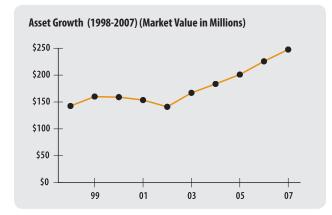
Gerard Arnaudet

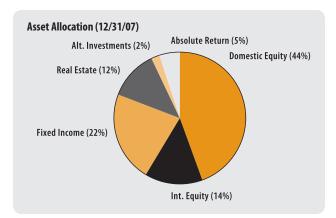
Board Meeting

Usually last Thursday of each month at 9:30 am



Investm	ent R	eturn (2	003-200	7, 5 Year	and 23 Y	ear Averag	es)
25% —							
20%							
15% —							
10%							
5% —							
0% +	03	04	05	06	07	03-07	85-07
	0,5	04	05	00	07	05 07	03 07





ACTUARIAL

Funded Ratio	44.9%
Date of Last Valuation	01/07
• Actuary	Buck
Assumed Rate of Return	8.25%
• Funding Schedule	4.5% Increasing
• Year Fully Funded	2026
Unfunded Liability	\$258.6 M
Total Pension Appropriation (Fiscal 2008)	\$22.5 M

	Active	Ketirea
 Number of Members 	2,299	1,721
 Total Payroll/Benefit 	\$86.7 M	\$27.6 M
 Average Salary/Benefit 	\$37,700	\$16,100
Average Age	NA	73
Average Service	NA	NA

INVESTMENT

Domestic Equity

- Boston Company
- Wellington Trust Co.-CIF Diversified Growth Portfolio
- Westfield Capital Management Company, LLC

International Equity

• Boston Company Non-US Value Equity Fund

Domestic Fixed Income

- Aberdeen Asset Management, Inc.
- Loomis Sayles Fixed Income Fund

Real Estate

- BlackRock Granite Property Fund
- SSgA Tuckerman / Property Redevelopment & Renovation Fund
- TA Realty Associates Fund VIII
- UBS (US) Trumbull Property Fund LP

Alternative Investments

- INVESCO International Partnership Fund IV, L.P.
- INVESCO U.S. LBO & Corporate Finance Partnership Fund IV, L.P.
- INVESCO Venture Partnership Fund IV, L.P.
- Wilton Private Market Specialized Fund, LLC

General Allocation

PRIT

Absolute Return

• PRIT

Consultant

Segal Advisors

Custodian

▶ 2007 Return	10.47%
▶ 2007 Target	9.00%
▶ 2007 Market Value	\$247.4 M
▶ 2003-2007 (Annualized)	14.23%
▶ 1985-2007 (Annualized)	9.27%

Newburyport

City Hall 60 Pleasant Street Newburyport, MA 01950 Phone 978-465-6619 Fax 978-462-4042

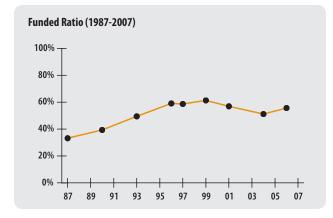
Board Members

ACTUARIAL

Franklin J. Spaulding (Chairperson), Paula Fowler, Alexander Kravchuk, Vincent Malgeri, William B. Squillace

Board Administrator Laurie Burton Board Meeting

Varies



Investment Return (2003-2007, 5 Year and 23 Year Averages) 25% 20% 15% 10% 5% 0% 03 04 05 06 07 03–07 85–07

Asset Growth (1998-2007) (Market Value in Millions) \$50 \$45 \$40 \$35 \$30 \$25 \$20 \$15 \$10 \$5 \$0 03 99 05 07

► Asset Allocation See page 121 for PRIT asset allocation chart.

• Funded Ratio	55.7%
Date of Last Valuation	01/06
• Actuary	PERAC
Assumed Rate of Return	8.00%
• Funding Schedule	4.3% Increasing
Year Fully Funded	2027
Unfunded Liability	\$29.5 M
• Total Pension Appropriation (Fiscal 2008)	\$3.4 M

Active	Retired
365	209
\$13.2 M	\$3.7 M
\$36,100	\$17,700
46	71
9.5 years	NA
	365 \$13.2 M \$36,100 46

INVESTMENT

11.86 %
8.50%
\$48.4 M
15.09%
9.68%

Newton

1000 Commonwealth Avenue Newton Centre, MA 02459-1449 Phone 617-796-1095 Fax 617-796-1098

Board Members

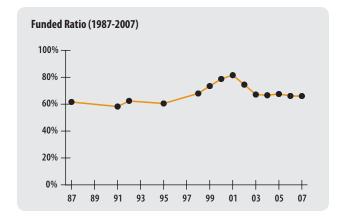
Nunzio J. Piselli (Chairperson), Paul Bianchi, Francis P. Capello, Jr., Richard C. Heidlage, David C. Wilkinson

Board Administrator

Kelly Byrne

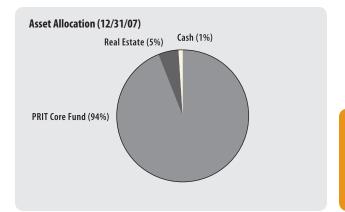
Board Meeting

Third Wednesday of the month at 3:00 pm



Investm	ent R	eturn (20	03-2007,	5 Year a	nd 23 Ye	ear Averages)
25% —						
20%						
15%						
10%					_	
5% —						
0%						
7.7	03	04	05	06	07	03-07 85-07

Asset Growth (1998-2007) (Market Value in Millions) \$300 \$250 \$200 \$150 \$100 \$50 \$0 01 03 05 07



ACTUARIAL

66.1%
01/07
Buck
8.00%
4.5% Increasing
2028
\$136.6 M
\$11.7 M

	Active	Retired
 Number of Members 	1,682	1,299
 Total Payroll/Benefit 	\$74.2 M	\$25.7 M
 Average Salary/Benefit 	\$44,100	\$19,800
• Average Age	NA	75
Average Service	NA	NA

INVESTMENT

Real Estate

- Carey Corporate Properties Associates Fund 15
- Fidelity Real Estate Growth Fund II, L.P.

General Allocation

• PRIT

Cash

▶ 2007 Return	10.91%
▶ 2007 Target	8.50 %
▶ 2007 Market Value	\$287.3 M
▶ 2003-2007 (Annualized)	12.54%
▶ 1985-2007 (Annualized)	10.20%

Norfolk County

480 Neponset Street **Building 15** Canton, MA 02021 Phone 781-821-0664 or 1-800-247-9992 Fax 781-821-0981

Board Members

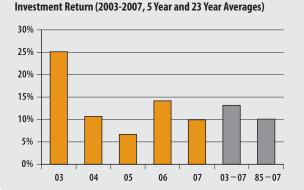
Joseph A. Connolly (Chairperson), Paul J. Connors, Edwin S. Little, Thomas A. Rorrie, Josephine E. Shea

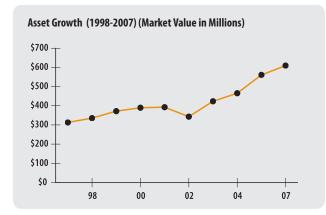
Board Administrator John F. Keenan

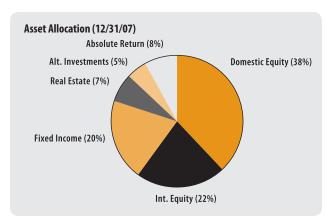
Board Meeting Last Wednesday of each month



Investment Return (2003-2007, 5 Year and 23 Year Averages)







ACTUARIAL

• Funded Ratio	62.3%
Date of Last Valuation	01/07
• Actuary	Buck
Assumed Rate of Return	8.50%
• Funding Schedule	2.5% Increasing
Year Fully Funded	2026
Unfunded Liability	\$322.6 M
• Total Pension Appropriation (Fiscal 2008)	\$33.1 M

Active	Ketirea
5,832	2,794
\$219.6 M	\$49.4 M
\$37,700	\$17,700
NA	73
NA	NA
	5,832 \$219.6 M \$37,700 NA

INVESTMENT

Domestic Equity

- Boston Company
- · Fisher Investments, Inc.
- Independence Investments, LLC
- INTECH Risk Managed Large Cap Growth Fund
- Munder Capital Management
- RhumbLine Russell 1000 Value Pooled Index Fund
- SSgA Russell 1000 Growth Index Securities Lending Fund
- Voyageur Asset Management Inc.

International Equity

- Evergreen International Small Cap Equity Strategy
- · Fisher Investments, Inc.
- Lazard Emerging Markets Equity Portfolio
- MFS Institutional Advisors, Inc.

Domestic Fixed Income

- Eaton Vance Loan Opportunities Fund, Ltd.
- IR&M Core Bond Fund
- Loomis, Sayles & Company, L.P.
- SSgA U.S. Treasury 1-3 Year Index Fund

International Fixed Income

- Evergreen International Bond Fund
- Lazard Emerging Income Fund

Real Estate

- Clarion Lion Properties Fund
- Intercontinental Real Estate Investment Fund
- INVESCO IRT Equity Real Estate Securities Fund

- Mesirow Financial Institutional Real Estate International Fund
- PRIT
- · Sentinel Realty Partners IV, V
- SSgA Tuckerman / Property Redevelopment & Renovation Fund
- TA Realty Associates Fund V, VII
- Urdang Value Added Fund II, L.P.

Alternative Investments

- · Ascend Ventures, L.P.
- · Ascend Ventures II, L.P.
- Boston Millennia Partners, L.P.
- Boston Millennia Partners II, L.P.
- CHL Medical Partners II, L.P.
- Coller International Partners IV
- Corsair III Financial Services Capital Partners, L.P.
- Globespan Capital Partners V, L.P.
- Halpern Denny Fund II & III, L.P.
- Hamilton Lane Co-Investment Fund II
- Inflection Point Ventures, L.P.
- INVESCO Venture Partnership Fund IV, L.P.
- Levine Leichtman Capital Partners Deep Value Fund, L.P.
- Mesirow Financial Capital Partners IX
- Monitor Venture Partners I, L.P.
- New England Growth Fund II, L.P.
- North American Strategic Partners
- · Perseus Partners VII, L.P.
- PRISM Venture Partners IV & V, L.P.
- Washington & Congress Capital Partners, L.P.
- · Wilshire Private Markets Fund II, IV

(cont.)

Norfolk County (cont.)

► INVESTMENT (CONT.)

Absolute Return / Hedge Fund

- Mesirow Multi-Strategy Fund
- Preferred Investors, L.P.
- PRIT

Commission Recapture

- Donaldson & Company
- Rochdale Securities Corporation

Consultant

• Wainwright Investment Counsel, LLC

Custodian

▶ 2007 Return	9.94%
▶ 2007 Target	9.27%
▶ 2007 Market Value	\$609.3 M
▶ 2003-2007 (Annualized)	13.16%
▶ 1985-2007 (Annualized)	10.11%



North Adams

P.O. Box 229 85 Main Street, Room 322 North Adams, MA 01247 Phone 413-663-5185 Fax 413-664-9412

Board Members

James D. Brown (Chairperson), Alan Marden, Lawrence R. O'Brien, Fred T. Thompson, Esq., Kathleen A. Wall

Board Administrator Beverly Cooper Board Meeting

Varies



100% -	Т											
80% -	+							•				
60% -	+			سعر	_				•	•	•	
40% -	-	_										
20% -	+											
0% -	4	+	+	+	+	+	+	+	+	+	+	
	87	89	91	93	95	97	99	01	03	05	07	

ACTUARIAL

Funded Ratio	67.1%
Date of Last Valuation	01/07
• Actuary	PERAC
Assumed Rate of Return	8.00%
• Funding Schedule	3.5% Increasing
Year Fully Funded	2028
Unfunded Liability	\$17.4 M
Total Pension Appropriation (Fiscal 2008)	\$2.0 M

	Active	Retired
 Number of Members 	386	205
 Total Payroll/Benefit 	\$9.3 M	\$3.2 M
 Average Salary/Benefit 	\$24,200	\$15,800
Average Age	46	71
Average Service	9.1 years	NA



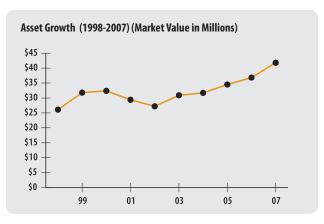
INVESTMENT

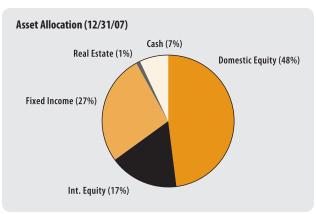
Total Portfolio

• de Burlo Group

Custodian

• Investors Bank & Trust





▶ 2007 Return	16.43%
▶ 2007 Target	8.00%
▶ 2007 Market Value	\$41.8 M
▶ 2003-2007 (Annualized)	12.10%
▶ 1985-2007 (Annualized)	10.85%

North **Attleboro**

500 East Washington Street 2nd Floor, Tower Square North Attleboro, MA 02761 Phone 508-699-0119 Fax 508-699-0127

Board Members

Edward G. Lambert, Jr. (Chairperson), Dorothy H. Baker, Jack J. Bush, Lisa Higgins, Patricia A. Shapiro

Board Administrator Debra A. Bush

Board Meeting Fourth Tuesday of each month



100% —						_					
80% —					_			_	-		
60% —		1									
40%	_	-									
20% —											
0%	-	+	-	+	+	+	+	+	+	+	
87	89	91	93	95	97	99	01	03	05	07	

ACTUARIAL

• Funded Ratio	82.6%
Date of Last Valuation	01/06
• Actuary	Buck
Assumed Rate of Return	8.00%
• Funding Schedule	4.5% Increasing
• Year Fully Funded	2025
Unfunded Liability	\$11.3 M
Total Pension Appropriation (Fiscal 2008)	\$2.1 M

	Active	Retired
 Number of Members 	541	201
 Total Payroll/Benefit 	\$17.9 M	\$3.0 M
 Average Salary/Benefit 	\$33,000	\$14,800
Average Age	NA	73
Average Service	NA	NA



INVESTMENT

Domestic Equity

- Columbia Management Group, Inc.
- RhumbLine S&P 500 Pooled Index Fund
- Rothschild Asset Management

International Equity

• Boston Company Non-US Value Equity Fund

Domestic Fixed Income

- Brandes Investment Partners, L.P.
- RhumbLine Lehman Aggregate Pooled Index Fund

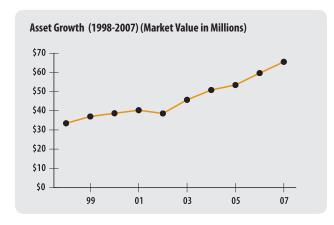
Real Estate

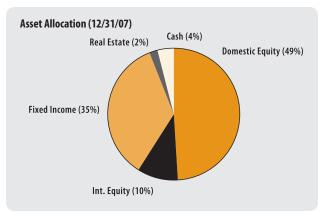
• AmSouth Timber Fund

Consultant

• Dahab Associates

Custodian





> 2007 Return	5.35%
▶ 2007 Target	8.00%
▶ 2007 Market Value	\$65.5 M
▶ 2003-2007 (Annualized)	10.40%
▶ 1985-2007 (Annualized)	9.59%

Northampton

City Hall, Room 3 210 Main Street Northampton, MA 01060 Phone 413-587-1211 Fax 413-587-1278

Board Members

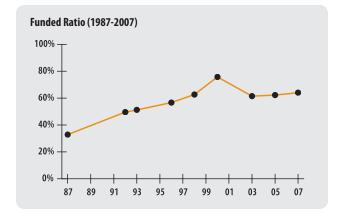
Christopher B. Pile (Chairperson), Joyce Karpinski, Shirley A. LaRose, Michael J. Lyons, A. Edwin Putnam

Board Administrator

Barbara Weeks

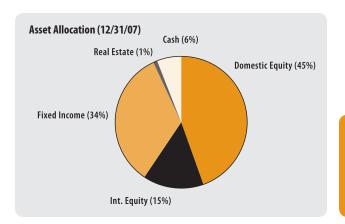
Board Meeting

Last Tuesday or Thursday of each month



Investment Return (2003-2007, 5 Year and 23 Year Averages) 16% 14% 12% 10% 6% 4% 2% 03-07 85-07

Asset Growth (1998-2007) (Market Value in Millions) \$80 \$70 \$60 \$50 \$40 \$30 \$20 \$10 \$0 03 05 07



ACTUARIAL

• Funded Ratio	64.1%
Date of Last Valuation	01/07
• Actuary	Stone
Assumed Rate of Return	7.75%
Funding Schedule	3.61% Increasing
Year Fully Funded	2028
Unfunded Liability	\$36.6 M
Total Pension Appropriation (Fiscal 2008)	\$3.7 M

	Active	Retired
 Number of Members 	603	328
 Total Payroll/Benefit 	\$20.3 M	\$5.4 M
 Average Salary/Benefit 	\$33,700	\$16,400
Average Age	46	70
 Average Service 	10.8 years	NA

INVESTMENT

Total Portfolio

• de Burlo Group

Custodian

▶ 2007 Return	15.54%
▶ 2007 Target	7.90 %
▶ 2007 Market Value	\$75.2 M
▶ 2003-2007 (Annualized)	11.67%
▶ 1985-2007 (Annualized)	10.56%

Northbridge

Town Hall 7 Main Street Whitinsville, MA 01588 Phone 508-234-0820 Fax 508-234-5834

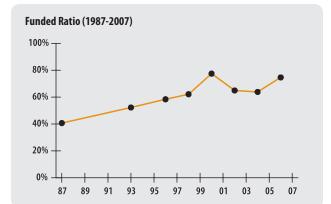
Board Members

John Meagher (Chairperson), Muriel Barry, Jeanne Sohigian, Sharon Susienka, Neil Vaidya

Board Administrator Beth A. Desmarais

Board Meeting

Third Wednesday of each month



Investment Return (2003-2007, 5 Year and 23 Year Averages) 30% 25% 20% 15% 10% 5% 0% 03-07 85-07 04 05 06

Asset Growth (1998-2007) (Market Value in Millions) \$25 \$20 \$15 \$10 \$5 \$0 03 99 05 07

▶ Asset Allocation See page 121 for PRIT asset allocation chart.

A		u	AΙ	KI	Α	
•	•••	•	ч	ч	•••	٦

• Funded Ratio	74.7%
Date of Last Valuation	01/06
• Actuary	Stone
Assumed Rate of Return	8.00%
Funding Schedule	3.0% Increasing
Year Fully Funded	2022
, , , , , , , , , , , , , , , , , , , ,	
Unfunded Liability	\$6.0 M

	Active	Retired
 Number of Members 	186	96
 Total Payroll/Benefit 	\$6.6 M	\$1.2 M
 Average Salary/Benefit 	\$35,300	\$12,100
• Average Age	45	NA
 Average Service 	8.9 years	NA

INVESTMENT

▶ 2007 Return	12.10%
▶ 2007 Target	8.50%
▶ 2007 Market Value	\$23.1 M
▶ 2003-2007 (Annualized)	16.39%
▶ 1985-2007 (Annualized)	11.22%

Norwood

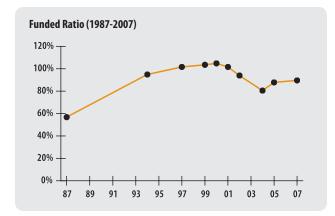
Municipal Building 566 Washington Street Norwood, MA 02062 Phone 781-762-1240, Ext. 157 Fax 781-278-3024

Board Members

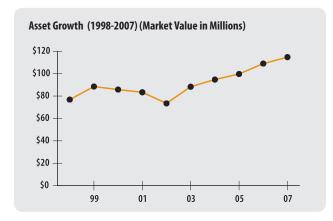
Joseph F. Curran, Eileen P. Hickey, Tom O'Toole, Robert M. Thornton **Board Administrator** Debra A. Lorenzo

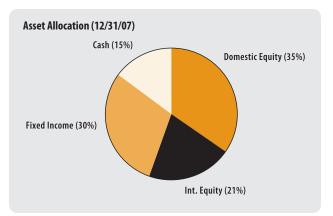
Board Meeting

Varies



15% 10% 10% 03 04 05 06 07 03-07 85-07





ACTUARIAL

• Funded Ratio	89.7%
Date of Last Valuation	01/07
• Actuary	Buck
Assumed Rate of Return	8.50%
Funding Schedule	4.5% Increasing
Year Fully Funded	2028
Unfunded Liability	\$12.4 M
• Total Pension Appropriation (Fiscal 2008)	\$2.3 M

	Active	Retired
 Number of Members 	582	363
 Total Payroll/Benefit 	\$25.6 M	\$6.0 M
 Average Salary/Benefit 	\$43,900	\$16,400
• Average Age	NA	73
 Average Service 	NA	NA

INVESTMENT

Domestic Equity

- Boston Company
- Legg Mason Capital Management
- SSgA U.S. Core Opportunities Fund

International Equity

• EuroPacific Growth Fund

Domestic Fixed Income

• Standish Mellon EB MBA Aggregate Bond Index Fund

Consultant

• Mercer Investment Consulting

Custodian

▶ 2007 Return	8.15%
▶ 2007 Target	9.35%
▶ 2007 Market Value	\$114.7 M
▶ 2003-2007 (Annualized)	12.58%
▶ 1985-2007 (Annualized)	10.28%

Peabody

City Hall 24 Lowell Street Peabody, MA 01960 Phone 978-538-5911 Fax 978-538-5989

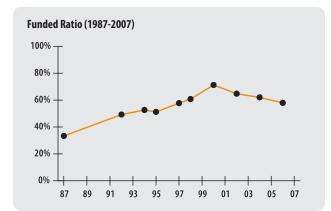
Board Members

ACTUARIAL

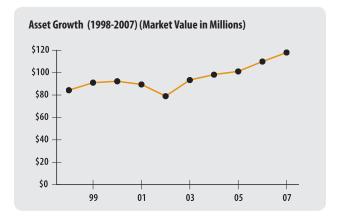
Richard A. Yagjian (Chairperson), Joseph DiFranco, Sr., Donna Hopkins, John J. McGinn, Patricia Davis Schaffer

Board Administrator Linda Cavallon **Board Meeting**

Varies



Investment Return (2003-2007, 5 Year and 23 Year Averages) 20% 18% 16% 14% 12% 10% 8% 6% 4% 2% 0% 03-07 85-07 03 04 05 06 07



► Asset Allocation See page 121 for PRIT asset allocation chart.

• Funded Ratio	58.0%
Date of Last Valuation	01/06
• Actuary	Buck
Assumed Rate of Return	8.25%
• Funding Schedule	2.5% Increasing
Year Fully Funded	2028
Unfunded Liability	\$75.8 M
• Total Pension Appropriation (Fiscal 2008)	\$7.9 M

Active	Retired
842	803
\$32.0 M	\$12.5 M
\$38,000	\$15,600
NA	74
NA	NA
	842 \$32.0 M \$38,000 NA

INVESTMENT

▶ 2007 Return	10.67%
▶ 2007 Target	8.50 %
▶ 2007 Market Value	\$117.9 M
▶ 2003-2007 (Annualized)	11.40%
▶ 1985-2007 (Annualized)	10.21%

Pittsfield

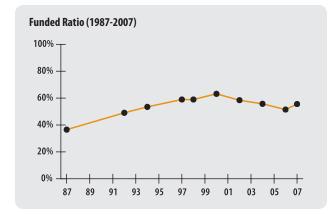
City Hall, Room 109 70 Allen Street Pittsfield, MA 01201 Phone 413-499-9468 Fax 413-499-9328

Board Members

Gerald E. Miller (Chairperson), G. Richard Bordeau, Timothy A. Hannigan, James J. Mooney, Edward M. Reilly

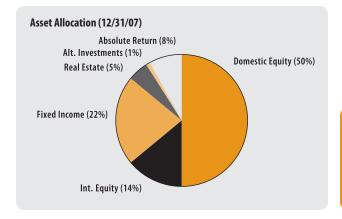
Board Administrator Karen Lancto

Board Meeting Varies



Investn	nent Re	eturn (2003	3-2007,	5 Year a	nd 23 Yea	ar Averages)
25% —						
20%						
15%	+					
10%	-					
5%	+	-		+		
0% -						
	03	04	05	06	07	03-07 85-07





ACTUARIAL

Funded Ratio	55.6%
Date of Last Valuation	01/07
• Actuary	Stone
Assumed Rate of Return	8.25%
• Funding Schedule	2.31% Increasing
Year Fully Funded	2025
Unfunded Liability	\$75.4 M
• Total Pension Appropriation (Fiscal 2008)	\$7.7 M

	Active	Retired
 Number of Members 	953	731
 Total Payroll/Benefit 	\$28.9 M	\$11.0 M
 Average Salary/Benefit 	\$30,300	\$15,000
• Average Age	48	73
Average Service	11.5 years	NA

INVESTMENT

Domestic Equity

- Copper Rock Small Cap Growth Fund
- · Legacy Portfolio Management
- NWQ Investment Management Company, LLC
- Voyageur Asset Management Inc.
- Voyageur Equity Style Fund
- Voyageur Large Cap Value Fund

International Equity

- SSgA International Growth Opportunities Fund
- Voyageur International Fund

Domestic Fixed Income

• Pyramis Core Plus Commingled Pool

Alternative Investments

• North American Strategic Partners 2006, L.P.

Real Estate

- PRIT
- Sentinel Realty Partners VI
- SSgA Tuckerman / Property Redevelopment & Renovation Fund

Absolute Return

• PRIT

Consultant

Segal Advisors

Custodian

▶ 2007 Return	7.93%
▶ 2007 Target	8.75 %
▶ 2007 Market Value	\$99.5 M
▶ 2003-2007 (Annualized)	11.21%
▶ 1985-2007 (Annualized)	9.61%

Plymouth

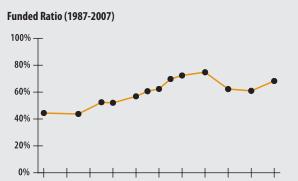
10 Cordage Park Circle Suite 240 Plymouth, MA 02360 Phone 508-830-4170 Fax 508-830-4019

Board Members

Thomas M. Kelley (Chairperson), Lynne Barrett, Shawn H. Duhamel, Richard A. Manfredi, John E. Murphy, Jr.

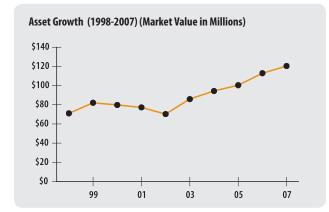
Board Administrator Debra J. Sullivan **Board Meeting**

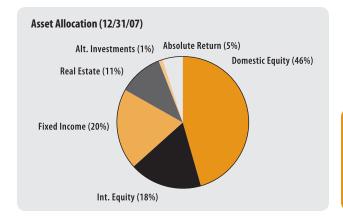
Varies



87 Investment Return (2003-2007, 5 Year and 23 Year Averages)

25% 20% 15% 10% 5% 0% 04 05 03-07 85-07 03 06 07





ACTUARIAL

• Funded Ratio	68.3%
Date of Last Valuation	01/07
• Actuary	Stone
Assumed Rate of Return	8.25%
• Funding Schedule	3.94% Increasing
Year Fully Funded	2022
Unfunded Liability	\$52.3 M
Total Pension Appropriation (Fiscal 2008)	\$6.3 M

	Active	Retired
 Number of Members 	1,074	508
 Total Payroll/Benefit 	\$32.5 M	\$8.2 M
 Average Salary/Benefit 	\$30,300	\$16,200
Average Age	47	NA
Average Service	9.8 years	NA

INVESTMENT

Domestic Equity

- Boston Advisors, Inc.
- Earnest Partners, LLC
- SSgA S&P 500 Flagship Fund
- Wellington Trust Co.-CIF Research Equity Portfolio

International Equity

• Templeton Foreign Equity Series Fund

Domestic Fixed Income

- MacKay Shields High Yield Commingled Trust
- Wellington Trust Co.-CIF II Core Bond Fund

- Intercontinental Real Estate Investment Fund IV, LLC
- PRIT

Alternative Investments

• PRIT

Absolute Return

• PRIT

Consultant

Segal Advisors

Custodian

▶ 2007 Return	8.25%
▶ 2007 Target	9.17%
▶ 2007 Market Value	\$120.4 M
▶ 2003-2007 (Annualized)	12.81%
▶ 1985-2007 (Annualized)	10.08%

Plymouth County

10 Cordage Park Circle Suite 234 North Plymouth, MA 02360 Phone 508-830-1803 Fax 508-830-1875

Board Members

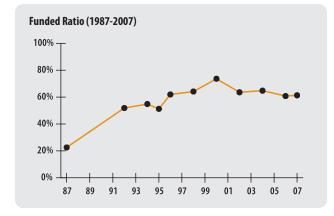
Thomas J. O'Brien (Chairperson), John G. Duggan, James E. Harrington, Joseph F. McDonough, John F. Sciara

Board Administrator

William Farmer

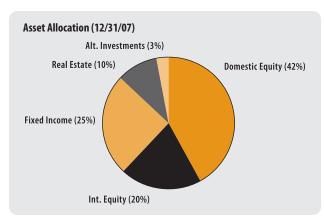
Board Meeting

Usually the last Tuesday of each month



Investment Return (2003-2007, 5 Year and 23 Year Averages) 30% 25% 20% 15% 10% 5% 04 05 06 03-07 85-07 03 07





ACTUARIAL

• Funded Ratio	61.4%
Date of Last Valuation	01/07
• Actuary	Buck
Assumed Rate of Return	8.50%
• Funding Schedule	4.3% Increasing
Year Fully Funded	2025
Unfunded Liability	\$381.2 M
• Total Pension Appropriation (Fiscal 2008)	\$38.9 M

ired
3,149
.7 M
,400
72
NA

INVESTMENT

Domestic Equity

- · Fisher Investments, Inc.
- Independence Investments, LLC
- Mesirow Financial Investment Management
- RhumbLine Russell 200 Index Fund
- Smith Asset Management Group, L.P.
- Voyageur Asset Management Inc.
- Wellington Management Company, LLP

International Equity

- Acadian International All Cap Fund
- Boston Company Emerging Markets Pooled Fund
- KBC Investment Trust
- SSgA / Rexiter Active Emerging Markets Fund

Domestic Fixed Income

- Eaton Vance Loan Opportunities Fund, Ltd.
- Eaton Vance Management
- Income Research & Management
- UBS U.S. Bond Relationship Fund

International Fixed Income

• McDonnell Investment Management, LLC

Real Estate

- BlackRock Apartment Value Fund III, L.P.
- Intercontinental Real Estate Investment Fund III
- INVESCO IRT Equity Real Estate Securities Fund
- Mesirow Financial Institutional Real Estate International Fund

- Multi-Employer Property Trust
- Prudential Real Estate Investors (PRISA Fund)
- · SSgA Tuckerman / Multi-Family Development Program III
- SSgA Tuckerman / Property Redevelopment & Renovation Fund

Alternative Investments

- · Ascend Ventures II, L.P.
- · Ascent Venture Partners IV, L.P.
- Charles River Partnership VII, VIII, IX, X, XI
- Citigroup Venture Capital International Growth Partnership II, LP
- DN Partners, L.P.
- DN Partners II, L.P.
- Globespan Capital Partners V, L.P.
- · Leeds Weld Equity Partners IV, L.P.
- Levine Leichtman Capital Partners Deep Value Fund, L.P.
- LODH Euro Choice II
- Mesirow Financial Capital Partners IX
- New England Growth Fund I & II, L.P.
- · Senior Tour Players Fund I

Consultant

• Wainwright Investment Counsel, LLC

Custodian

▶ 2007 Return	7.59%
▶ 2007 Target	9.17%
▶ 2007 Market Value	\$693.5 M
▶ 2003-2007 (Annualized)	14.32%
▶ 1985-2007 (Annualized)	10.81%

Quincy

1250 Hancock Street Suite 506S Quincy, MA 02169 Phone 617-376-1075 Fax 617-376-1149

Board Members

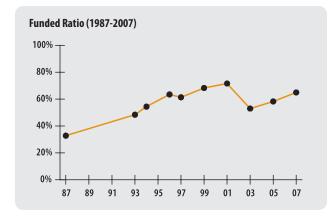
George F. McCray (Chairperson), Richard P. Crespi, Richard D. Fitzpatrick, Robert C. Haley, Roger E. Perfetti

Board Administrator

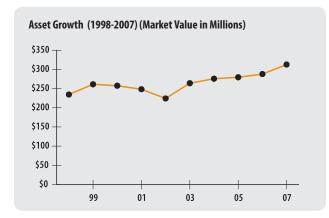
Edward J. Masterson

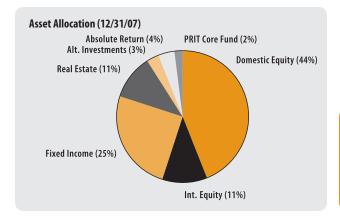
Board Meeting

Last Wednesday of each month at 10:00 am



Investm	nent l	Return (2	003-200	7, 5 Year	and 23 Y	ear Averages)
25% —						
20%						
15%						
10%				_		
5%			_			
0% —						
	03	04	05	06	07	03-07 85-07





ACTUARIAL

• Funded Ratio	65.0%
Date of Last Valuation	01/07
• Actuary	Stone
Assumed Rate of Return	8.25%
• Funding Schedule	0.51% Increasing
Year Fully Funded	2023
Unfunded Liability	\$165.2 M
Total Pension Appropriation (Fiscal 2008)	\$19.7 M

	Active	Ketirea
 Number of Members 	1,426	1,705
 Total Payroll/Benefit 	\$66.7 M	\$35.5 M
 Average Salary/Benefit 	\$46,800	\$20,800
Average Age	47	72
 Average Service 	11.3 years	NA

INVESTMENT

Domestic Equity

- Chicago Equity Partners, LLC
- Earnest Partners, LLC
- PENN Small Cap Fund
- RhumbLine Russell 1000 Growth Pooled Index Fund
- RhumbLine Russell 1000 Value Pooled Index Fund

International Equity

- INVESCO IRT International Equity Fund
- Victory Capital Series, LLC Series C

Domestic Fixed Income

- Post Traditional High Yield Fund, L.P.
- SSgA Passive Bond Market Index SL Fund
- SSgA Treasury Inflation Protected Securities (TIPS) Fund

International Fixed Income

• Julius Baer Global High Income Fund

Real Estate

- AEW Partners V, L.P.
- UBS (US) Trumbull Property Fund LP
- UBS (US) Trumbull Property Income Fund LP

Alternative Investments

• Goldman Sachs Private Equity Partners Fund 2005

- North American Strategic Partners 2006, L.P.
- PRIT

General Allocation

• PRIT

Consultant

· Meketa Investment Group

Custodian

▶ 2007 Return	6.75%
▶ 2007 Target	8.25%
▶ 2007 Market Value	\$312.6 M
▶ 2003-2007 (Annualized)	11.70%
▶ 1985-2007 (Annualized)	9.65%

Reading

16 Lowell Street Reading, MA 01867 Phone 781-942-9007 Fax 781-942-9037

Board Members

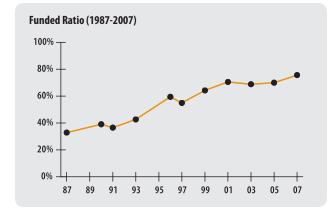
Joseph R. Veno (Chairperson), Francis P. Driscoll, Richard P. Foley, Gail LaPointe, Daniel B. Seferian

Board Administrator

Colleen Loughlin

Board Meeting

Third or Fourth Wednesday of each month at 6:00 pm



Investment Return (2003-2007, 5 Year and 23 Year Averages) 30% 25% 20% 15% 10% 5% 0% 03 04 05 06 07 03-07 85-07

Asset Growth (1998-2007) (Market Value in Millions) \$120 \$100 \$80 \$60 \$40 \$20 \$0 01 03 05 07

▶ Asset Allocation

See page 121 for PRIT asset allocation chart.

ACTUARIAL

• Funded Ratio	75.7%
Date of Last Valuation	07/07
• Actuary	Segal
Assumed Rate of Return	7.75%
• Funding Schedule	1.5% Increasing
Year Fully Funded	2024
Unfunded Liability	\$27.2 M
Total Pension Appropriation (Fiscal 2008)	\$3.8 M

	Active	Retired
 Number of Members 	352	327
 Total Payroll/Benefit 	\$18.4 M	\$6.3 M
 Average Salary/Benefit 	\$52,300	\$19,300
Average Age	47	NA
Average Service	13.6 years	NA

INVESTMENT

▶ 2007 Return	12.17%
▶ 2007 Target	7.75%
▶ 2007 Market Value	\$101.4 M
▶ 2003-2007 (Annualized)	16.39%
▶ 1985-2007 (Annualized)	11.11%

Revere

City Hall 281 Broadway Revere, MA 02151 Phone 781-286-8173 Fax 781-286-3316

Board Members

Laurie Giardella (Chairperson), Antonio Cafarelli, Michael Conley, Steven Parsons, David Petrilli

Board Administrator Carolyn M. Russo **Board Meeting**

Varies



ACTUARIAL

• Funded Ratio	50.2%
Date of Last Valuation	01/06
• Actuary	PERAC
Assumed Rate of Return	8.00%
• Funding Schedule	3.0% Increasing
Year Fully Funded	2025
Unfunded Liability	\$77.4 M
• Total Pension Appropriation (Fiscal 2008)	\$9.0 M

	Active	Retired
 Number of Members 	462	571
Total Payroll/Benefit	\$20.8 M	\$11.2 M
 Average Salary/Benefit 	\$45,000	\$19,700
Average Age	48	73
Average Service	12 years	NA



INVESTMENT

• PRIT

Asset Grow	th (1998-2	007) (Marke	et Value in N	lillions)	
\$120 					
\$100					•
\$80 —			•		
\$60 —					
\$40 —					
\$20 —					
\$0 ⊥	+	+	-	+	
	99	01	03	05	07

▶ Asset Allocation See page 121 for PRIT asset allocation chart.

▶ 2007 Return	11.38%
▶ 2007 Target	8.50 %
▶ 2007 Market Value	\$105.3 M
▶ 2003-2007 (Annualized)	15.68%
▶ 1985-2007 (Annualized)	9.90%

Salem

20 Central Street Suite 110 Salem, MA 01970 Phone 978-745-8983 Fax 978-745-4216

Board Members

Katherine O'Leary (Chairperson), John H. Burke, Jr., Kimberly Driscoll, John P. O'Leary, Richard J. Viscay

Board Administrator Marcia A. Pelletier

Board Meeting Last Thursday of each month



-)	
5	07	
٠,		

ACTUARIAL

• Funded Ratio	50.8%
Date of Last Valuation	01/06
• Actuary	Segal
Assumed Rate of Return	8.25%
• Funding Schedule	4.0% Increasing
• Year Fully Funded	2025
Unfunded Liability	\$82.2 M
Total Pension Appropriation (Fiscal 2008)	\$9.2 M

	Active	Retired
 Number of Members 	831	614
 Total Payroll/Benefit 	\$33.6 M	\$10.6 M
 Average Salary/Benefit 	\$40,400	\$17,300
Average Age	48	NA
Average Service	10.7 years	NA



INVESTMENT

Domestic Fixed Income

- Income Research & Management
- Voyageur Core Plus Fixed Income Fund

Real Estate

- Fidelity Real Estate Asset Manager III, L.P.
- Fidelity Real Estate Growth Fund II, L.P.
- INVESCO IRT Equity Real Estate Securities Fund
- PRIT

Alternative Investments

- Ascent Venture Partners III, L.P.
- First America Asia Fund I L.P.
- Zero Stage Capital VII, L.P.

Absolute Return

• PRIT

General Allocation

PRIT

Consultant

• Segal Advisors

Custodian

Asset Growt	th (1998-2	007) (Marke	et Value in M	lillions)	
\$100 — \$90 — \$80 — \$70 —	_	•			,
\$60 \$50 \$40 					
\$30 — \$20 —					
\$10 \$0	-	-	-	-	
	99	01	03	05	07

Asset Allocation (12/31/07) Alt. Investments (3%) Real Estate (8%) Fixed Income (10%)
--

▶ 2007 Return	7.81%
▶ 2007 Target	8.25%
▶ 2007 Market Value	\$97.5 M
▶ 2003-2007 (Annualized)	11.42%
▶ 1985-2007 (Annualized)	9.69%

Saugus

Town Hall Annex 25 Main Street Saugus, MA 01906 Phone 781-231-7656 Fax 781-231-4067

Board Members

Henry E. MacKenzie (Chairperson), William E. Cross, III, Eugene Decareau, Doreen L. DiBari, Joan Regan

Board Administrator

Ann C. Quinlan **Board Meeting**First Thursday of each month



ACTUARIAL

• Funded Ratio	66.3%
Date of Last Valuation	01/07
• Actuary	PERAC
Assumed Rate of Return	8.25%
Funding Schedule	3.0% Increasing
Year Fully Funded	2022
Unfunded Liability	\$28.4 M
• Total Pension Appropriation (Fiscal 2008)	\$3.8 M

	Active	Retired
 Number of Members 	348	297
 Total Payroll/Benefit 	\$14.2 M	\$5.3 M
 Average Salary/Benefit 	\$40,900	\$17,700
Average Age	47	72
Average Service	11.6 years	NA



INVESTMENT

Asset Grow	rth (1998-	2007) (Mark	et Value in	Millions)	
\$70 					
\$60 —				_	
\$50					
\$40 —	,—		_		
\$30 —					
\$20 —					
\$10 —					
\$0 <u> </u>	-	-	-	-	
	99	01	03	05	07

► Asset Allocation	
See page 121 for PRIT asset allocation ch	art.

11.98%
8.50%
\$65.5 M
16.26%
11.03%

Shrewsbury

100 Maple Avenue Shrewsbury, MA 01545 Phone 508-841-8510 Fax 508-842-0587

Board Members

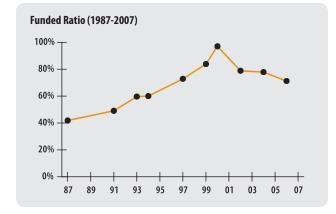
Kevin M. McNeil (Chairperson), Ann M. Dagle, Jay Montgomery, Caryn M. Shea, Mary E. Thompson

Board Administrator

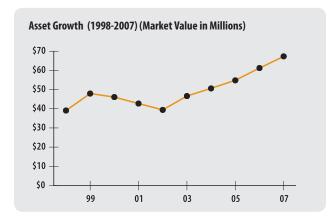
Gail A. Sokolowski

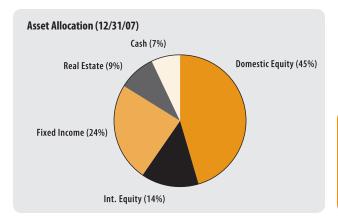
Board Meeting

Usually meets the fourth Wednesday of each month



Investment Return (2003-2007, 5 Year and 23 Year Averages) 20% 18% 16% 14% 12% 10% 8% 6% 4% 2% 0% 03 04 05 07 03-07 85-07 06





ACTUARIAL

Funded Ratio	71.3%
Date of Last Valuation	01/06
• Actuary	Buck
Assumed Rate of Return	8.50%
Funding Schedule	4.5% Increasing
Year Fully Funded	2022
Unfunded Liability	\$21.8 M
Total Pension Appropriation (Fiscal 2008)	\$3.0 M

	Active	Retired
 Number of Members 	615	225
Total Payroll/Benefit	\$19.9 M	\$3.9 M
Average Salary/Benefit	\$32,400	\$17,300
Average Age	NA	74
Average Service	NA	NA

INVESTMENT

Domestic Equity

- Atlanta Capital Management Company, Inc.
- · C.S. McKee, L.P.
- Independence Investments LLC
- Marvin & Palmer U.S. Equity, L.P.
- RhumbLine S&P 500 Pooled Index Fund
- RhumbLine S&P Mid-Cap 400 Pooled Index Fund

International Equity

• SSgA All International Allocation Common Trust Fund

Domestic Fixed Income

• IR&M Core Bond Fund

Real Estate

• PRIT

Consultant

Dahab Associates

Custodian

▶ 2007 Return	9.90%
▶ 2007 Target	8.50 %
▶ 2007 Market Value	\$67.3 M
▶ 2003-2007 (Annualized)	12.40%
▶ 1985-2007 (Annualized)	10.50%

Somerville

City Hall Annex 50 Evergreen Avenue Somerville, MA 02145 Phone 617-625-6600 Fax 617-666-4325

Board Members

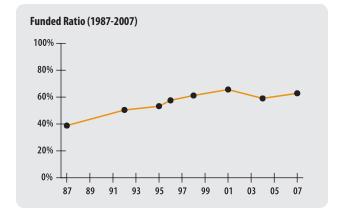
John M. Memory (Chairperson), Edward F. Bean, Jr., Lawrence Murphy, Mary A. Phinney, John E. Rourke

Board Administrator

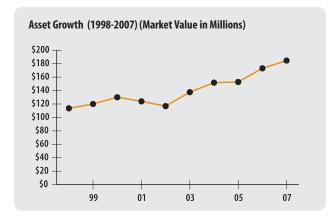
Mary A. Phinney

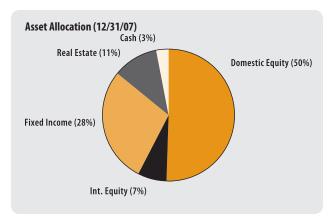
Board Meeting

Third Thursday of each month at 8:30 am



Investment Return (2003-2007, 5 Year and 23 Year Averages) 18% 16% 14% 12% 10% 8% 6% 4% 2% 0% 03 04 05 03-07 85-07 06 07





ACTUARIAL

• Funded Ratio	62.9%
Date of Last Valuation	01/07
• Actuary	Buck
Assumed Rate of Return	8.25%
• Funding Schedule	4.0% Increasing
Year Fully Funded	2022
Unfunded Liability	\$98.9 M
• Total Pension Appropriation (Fiscal 2008)	\$11.8 M

	Active	Retired
 Number of Members 	1,019	872
 Total Payroll/Benefit 	\$48.8 M	\$16.1 M
Average Salary/Benefit	\$47,900	\$18,500
Average Age	NA	73
Average Service	NA	NA

INVESTMENT

Domestic Equity

- Congress Asset Management
- RhumbLine S&P 500 Pooled Index Fund
- RhumbLine S&P Small Cap Pooled Index Fund

International Equity

- Lazard Emerging Markets Equity Portfolio
- Lazard Freres International Equity Fund

Domestic Fixed Income

- Cypress Asset Management
- Loomis Sayles Fixed Income Fund

Real Estate

- BlackRock Apartment Value Fund III, L.P.
- UBS (US) Trumbull Property Fund LP

Alternative Investments

• Crescent Gate Partners, LLC

Custodian

▶ 2007 Return	12.14%
▶ 2007 Target	8.25%
▶ 2007 Market Value	\$184.5 M
▶ 2003-2007 (Annualized)	12.46%
▶ 1985-2007 (Annualized)	10.03%

Southbridge

Town Hall 41 Elm Street Southbridge, MA 01550 Phone 508-765-4903 Fax 508-765-0902

Board Members

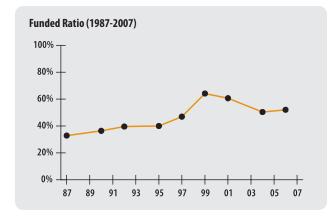
George Fournier (Chairperson), Melinda Ernst, Peter Hapgood, Karen Harnois, Julie Pena

Board Administrator

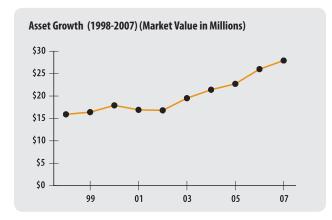
Mary E. St. Germain

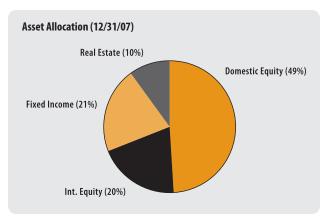
Board Meeting

Last Wednesday of each month at 10:00 am



18% 🕂								
16% 🕂					 		 	
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ACTUARIAL

• Funded Ratio	52.1%
Date of Last Valuation	01/06
• Actuary	PERAC
Assumed Rate of Return	8.00%
• Funding Schedule	4.5% Increasing
Year Fully Funded	2028
Unfunded Liability	\$21.1 M
Total Pension Appropriation (Fiscal 2008)	\$2.3 M

	Active	Retired
 Number of Members 	299	156
 Total Payroll/Benefit 	\$10.1 M	\$2.1 M
 Average Salary/Benefit 	\$33,700	\$13,400
• Average Age	45	72
 Average Service 	10.3 years	NA

INVESTMENT

Domestic Equity

- Independence Small Cap Fund
- Voyageur Concentrated Value Fund
- Voyageur Equity Style Fund
- Voyageur Large Cap Growth Fund
- Voyageur Large Cap Value Fund

International Equity

- INVESCO IRT International Equity Fund
- Voyageur International Fund

Domestic Fixed Income

- Pyramis Core Plus Commingled Pool
- Voyageur Asset Management Inc.
- Voyageur Core Plus Fixed Income Fund

Real Estate

- INVESCO Core Real Estate Fund
- INVESCO IRT Equity Real Estate Securities Fund

Consultant

• Segal Advisors

Custodian

▶ 2007 Return	6.64%
▶ 2007 Target	8.00%
▶ 2007 Market Value	\$27.9 M
▶ 2003-2007 (Annualized)	10.78%
▶ 1985-2007 (Annualized)	9.76%

Springfield

70 Tapley Street Springfield, MA 01104 Phone 413-787-6090 Fax 413-787-6046

Board Members

James F. Harrigan (Chairperson), Thomas F. Gloster, III, Esq., Mark Ianello, Robert P. Moynihan

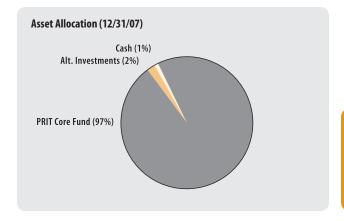
Board AdministratorColleen M. Trahan **Board Meeting**

Varies



Investr	nent l	Return (20	003-2007,	5 Year a	nd 23 Ye	ear Averages)
25%						
20%						
15% –						
10% –				+		
5% –				+		
0%						
	03	04	05	06	07	03-07 85-07

\$350 \$300 \$250 \$150 \$100 \$50 \$99 01 03 05



ACTUARIAL

• Funded Ratio	42.6%
Date of Last Valuation	01/05
• Actuary	Buck
Assumed Rate of Return	8.50%
• Funding Schedule	4.5% Increasing
Year Fully Funded	2028
Unfunded Liability	\$372.7 M
• Total Pension Appropriation (Fiscal 2008)	\$30.8 M

	Active	Retired
 Number of Members 	3,610	2,828
 Total Payroll/Benefit 	\$115.4 M	\$47.2 M
 Average Salary/Benefit 	\$32,000	\$16,700
• Average Age	NA	72
Average Service	NA	NA

INVESTMENT

Alternative Investments

- Ascend Ventures, L.P.
- Boston Millennia Partners, L.P.
- Boston Millennia Partners II, L.P.
- Crescendo IV, L.P.
- Crescendo World Fund
- DN Partners
- Ticonderoga e-Services I, L.P.

General Allocation

▶ 2007 Return	11.94%
▶ 2007 Target	8.39%
▶ 2007 Market Value	\$310.0 M
▶ 2003-2007 (Annualized)	13.39%
▶ 1985-2007 (Annualized)	9.93%

State

One Ashburton Place Room 1219 Boston, MA 02108 Phone 617-367-7770 Fax 617-723-1438

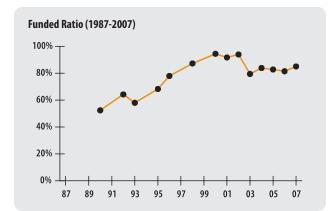
Board Members

Treasurer Timothy P. Cahill (Chairperson), Christopher S. Condon, Peter J. Koutoujian, Sr., Theresa McGoldrick, Esq., Ralph White

Board Administrator

Nicola Favorito, Esq. **Board Meeting**

Last Thursday of each month



ACTUARIAL

• Funded Ratio	85.1%
Date of Last Valuation	01/07
• Actuary	PERAC
Assumed Rate of Return	8.25%
• Funding Schedule	4.5% Increasing
Year Fully Funded	2023
Unfunded Liability	\$3.2 B
Total Pension Appropriation (Fiscal 2008)	\$457.0 M

	Active	Retired
 Number of Members 	84,677	50,412
Total Payroll/Benefit	\$4.4 B	\$1.1 B
 Average Salary/Benefit 	\$51,900	\$22,100
• Average Age	46	72
Average Service	12.6 years	NA



INVESTMENT

• PRIT

▶ Asset Gro	owth (199	98-2007) (Ma	arket Value	in Billions)	
\$25 —					
\$20					•
\$15	,—				
\$10					
\$5 —					
\$0 L	-		-		
	99	01	03	05	07

▶ Asset Allocation See page 121 for PRIT asset allocation chart.

12.05 %
8.25%
\$22.5 B
16.41 %
11.37%

State Teachers

New Board Name (Effective May 15, 2006): **Massachusetts Teachers** One Charles Park Cambridge, MA 02142-1206 Phone 617-679-MTRS (6877) Fax 617-679-1661

Board Members

Jeffrey R. Wulfson (Chairperson), Treasurer Timothy P. Cahill, Auditor A. Joseph DeNucci, John A. M. Dow, Jr., Ellen T. Hargraves, Karen A. Mitchell, Linda M. Ruberto

Board Administrator

Joan Schloss **Board Meeting**

Varies

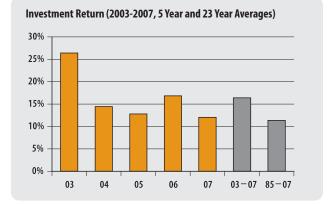


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87	89	91	93	95	97	99	01	03	05	07	

ACTUARIAL

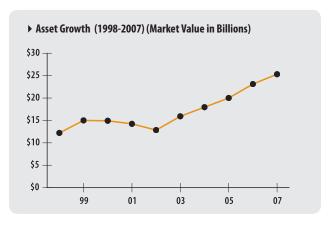
• Funded Ratio	71.0%
Date of Last Valuation	01/07
• Actuary	PERAC
Assumed Rate of Return	8.25%
Funding Schedule	4.5% Increasing
• Year Fully Funded	2023
Unfunded Liability	\$8.5 B
Total Pension Appropriation (Fiscal 2008)	\$809.0 M

	Active	Retired
 Number of Members 	88,962	47,635
Total Payroll/Benefit	\$5.0 B	\$1.6 B
Average Salary/Benefit	\$55,900	\$32,700
Average Age	44	70
Average Service	13.3 years	NA



INVESTMENT

• PRIT



▶ Asset Allocation See page 121 for PRIT asset allocation chart.

▶ 2007 Return	12.05%
▶ 2007 Target	8.25%
▶ 2007 Market Value	\$25.3 B
▶ 2003-2007 (Annualized)	16.41%
▶ 1985-2007 (Annualized)	11.38%

Stoneham

Town Hall 35 Central Street Stoneham, MA 02180-2087 Phone 781-279-2635 Fax 781-438-6906

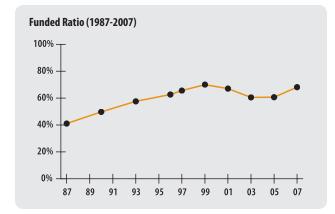
Board Members

Janice T. Houghton (Chairperson), Cosmo M. Ciccarello, Ronald Florino, James J. McDermott, Jr., Elsie M. Wallace

Board Administrator Karen DeAngelis

Board Meeting

Last Tuesday of each month at 2:00 pm



Investment Return (2003-2007, 5 Year and 23 Year Averages) 30% 25% 20% 15% 10% 5% 0% 03 04 05 06 07 03-07 85-07

Asset Growth (1998-2007) (Market Value in Millions) \$70 \$60 \$50 \$40 \$30 \$20 \$10 \$0 03 99 01 05 07

▶ Asset Allocation

See page 121 for PRIT asset allocation chart.

ACTUARIAL

• Funded Ratio	68.2%
Date of Last Valuation	01/07
• Actuary	Buck
Assumed Rate of Return	8.00%
Funding Schedule	3.5% Increasing
Year Fully Funded	2020
Unfunded Liability	\$25.4 M
• Total Pension Appropriation (Fiscal 2008)	\$4.2 M

	Active	Retired
 Number of Members 	290	289
 Total Payroll/Benefit 	\$11.6 M	\$4.9 M
 Average Salary/Benefit 	\$39,900	\$16,800
Average Age	NA	73
Average Service	NA	NA

INVESTMENT

• PRIT

▶ 2007 Return	11.96%
▶ 2007 Target	8.00%
▶ 2007 Market Value	\$65.3 M
▶ 2003-2007 (Annualized)	16.30%
▶ 1985-2007 (Annualized)	10.46%

Swampscott

25 Railroad Avenue Suite 4 Swampscott, MA 01907 Phone 781-596-8827 Fax 781-596-8899

Board Members

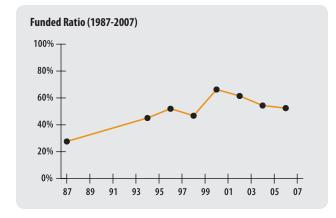
Francis E. Delano, Jr. (Chairperson), John F. Behen, Jr., David Castellarin, Thomas H. Driscoll, Jr., Esq., John T. Kiely, Jr.

Board Administrator

Richard P. DiPesa, Esq.

Board Meeting

Generally the third Wednesday of each month at 9:00 am



Investment Return (2003-2007, 5 Year and 23 Year Averages) 16% 14% 12% 10% 8% 6% 4% 2% 0%

06

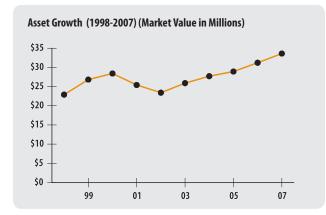
07

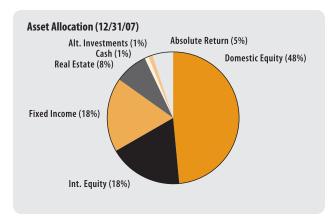
03-07 85-07

05

04

03





ACTUARIAL

• Funded Ratio	52.5%
Date of Last Valuation	01/06
• Actuary	Segal
Assumed Rate of Return	8.00%
Funding Schedule	4.5% Increasing
Year Fully Funded	2028
Unfunded Liability	\$27.6 M
Total Pension Appropriation (Fiscal 2008)	\$2.9 M

	Active	Retired
 Number of Members 	282	225
Total Payroll/Benefit	\$10.0 M	\$3.9 M
Average Salary/Benefit	\$35,500	\$17,500
Average Age	45	NA
Average Service	9.6 years	NA

INVESTMENT

Domestic Equity

- Chase Investment Counsel Corporation
- Eaton Vance Large Cap Value Fund
- Independence SMID Core Fund

International Equity

• INVESCO IRT International Equity Fund

Domestic Fixed Income

• Montgomery US Core Fixed Income Fund

Real Estate

- American Core Realty Fund, LLC
- Intercontinental Real Estate Investment Fund III, LLC

Alternative Investments

• Piper Jaffray Private Equity Partners II

Absolute Return

• PRIT

Consultant

Segal Advisors

Custodian

▶ 2007 Return	11.51%
▶ 2007 Target	8.50%
▶ 2007 Market Value	\$33.6 M
▶ 2003-2007 (Annualized)	11.73%
▶ 1985-2007 (Annualized)	10.67%

Taunton

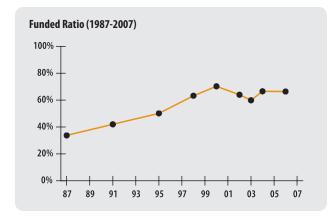
40 Dean Street, Unit 3 Taunton, MA 02780 Phone 508-821-1052 Fax 508-821-1063

Board Members

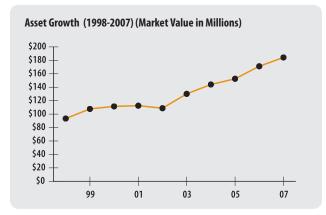
Ann Marie Hebert (Chairperson), Richard T. Avila, Peter H. Corr, Shauna McCarty, A. Joan Ventura

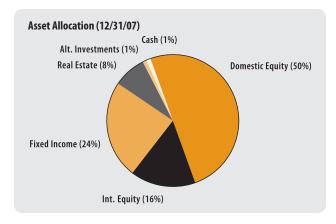
Board Administrator Paul J. Slivinski

Board Meeting Varies



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ACTUARIAL

• Funded Ratio	66.4%
Date of Last Valuation	01/06
• Actuary	Buck
Assumed Rate of Return	8.00%
• Funding Schedule	4.5% Increasing
Year Fully Funded	2022
Unfunded Liability	\$80.5 M
• Total Pension Appropriation (Fiscal 2008)	\$10.6 M

	Active	Retired
 Number of Members 	1,230	714
 Total Payroll/Benefit 	\$47.7 M	\$13.3 M
 Average Salary/Benefit 	\$38,800	\$18,600
• Average Age	NA	73
Average Service	NA	NA

INVESTMENT

Domestic Equity

- Boston Trust & Investment Management Company
- Daruma Asset Management
- SSgA Equity Index Plus Securities Lending Fund

International Equity

- Boston Company Non-US Value Equity Fund
- EuroPacific Growth Fund

Domestic Fixed Income

• Wellington Trust Co.-CIF II Core Bond Plus Portfolio

Real Estate

- Fidelity Real Estate Growth Fund, L.P.
- Fidelity Real Estate Growth Fund III, L.P.
- Intercontinental Real Estate Investment Fund III. LLC
- INVESCO Core Real Estate Fund
- INVESCO IRT Equity Real Estate Securities Fund

Alternative Investments

- Boston Millennia Partners, L.P.
- Boston Millennia Partners II, L.P.
- INVESCO International Partnership Fund IV, L.P.
- INVESCO U.S. LBO & Corporate Finance Partnership Fund IV, L.P.
- INVESCO Venture Partnership Fund IV, L.P.

Consultant

Segal Advisors

Custodian

▶ 2007 Return	8.52%
▶ 2007 Target	8.50 %
▶ 2007 Market Value	\$184.2 M
▶ 2003-2007 (Annualized)	11.69 %
▶ 1985-2007 (Annualized)	11.03%

Wakefield

1 Lafayette Street Wakefield, MA 01880 Phone 781-246-6396 Fax 781-246-2400

Board Members

Kevin Gill (Chairperson), Daniel Calore, Richard J. DeFelice, Philip Rogers, Sr., Daniel Sherman

Board Administrator

Cathy Cheek **Board Meeting** Third Thursday of each month



ACTUARIAL

• Funded Ratio	71.5%
Date of Last Valuation	01/06
• Actuary	PERAC
Assumed Rate of Return	8.00%
Funding Schedule	4.5% Increasing
Year Fully Funded	2026
Unfunded Liability	\$29.1 M
Total Pension Appropriation (Fiscal 2008)	\$3.6 M

	Active	Retired
 Number of Members 	444	339
Total Payroll/Benefit	\$17.1 M	\$5.6 M
 Average Salary/Benefit 	\$38,600	\$16,600
Average Age	48	74
Average Service	12.5 years	NA



INVESTMENT

• PRIT

Asset Growt	th (1998-2	007) (Marke	et Value in M	lillions)	
\$120 —					
\$100					•
\$80 —			_	_•	
\$60 +	_				
\$40 —			•		
\$20 —					
\$0 <u> </u>	-	-	+	-	
	99	01	03	05	07

▶ Asset Allocation See page 121 for PRIT asset allocation chart.

▶ 2007 Return	12.06%
▶ 2007 Target	8.50 %
▶ 2007 Market Value	\$101.0 M
▶ 2003-2007 (Annualized)	16.32%
▶ 1985-2007 (Annualized)	11.65%

Waltham

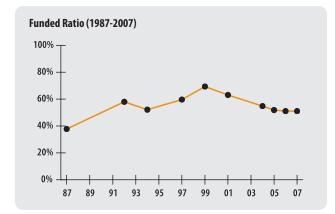
610 Main Street Waltham, MA 02452 Phone 781-314-3230 Fax 781-314-3236

Board Members

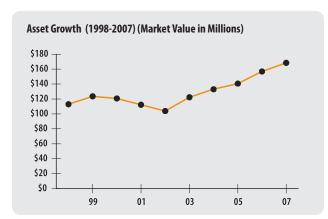
William R. MacDonald (Chairperson), John J. Gorman, Thomas J. Magno, Dennis P. Quinn, William F. Wiggin

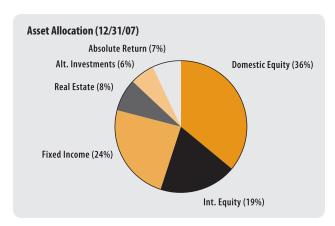
Board Administrator Joseph F. Juppé

Board Meeting Varies



Investr	nent R	leturn (2	003-2007	, 5 Year a	and 23 Ye	ear Averages)	
25%							
20%	-						
15% –							
10% –							
5% –							
0%				-			
	03	04	05	06	07	03-08 85-07	





ACTUARIAL

• Funded Ratio	51.1%
Date of Last Valuation	01/07
Actuary	Buck
Assumed Rate of Return	8.00%
• Funding Schedule	4.5% Increasing
• Year Fully Funded	2027
Unfunded Liability	\$130.5 M
• Total Pension Appropriation (Fiscal 2008)	\$12.7 M

	Active	Ketirea
Number of Members	938	780
Total Payroll/Benefit	\$43.8 M	\$18.0 M
Average Salary/Benefit	\$46,700	\$23,100
Average Age	NA	73
Average Service	NA	NA

INVESTMENT

Domestic Equity

- Earnest Partners, LLC
- Independence Investments, LLC
- SSgA Russell 1000 Index Fund
- Times Square Capital Management, LLC

International Equity

• GMO Foreign Fund II

Domestic Fixed Income

- Eaton Vance High Yield Bond Institutional Fund
- SSgA Passive Bond Market Index SL Fund

International Fixed Income

• Wellington Trust Co.-CIF International Bond Unhedged Portfolio

Real Estate

- Geometry Real Estate III, L.P.
- Intercontinental Real Estate Investment Fund III. LLC
- SSgA Tuckerman / Residential Income and Value Added (RIVA) Fund
- UBS (US) Trumbull Property Fund LP

Alternative Investments

- Ascent Venture Partners III, L.P.
- INVESCO Non-U.S. Partnership Fund II, L.P.
- INVESCO U.S. Buyout Partnership Fund II, L.P.
- $\bullet \ \mathsf{INVESCO} \ \mathsf{Venture} \ \mathsf{Partnership} \ \mathsf{Fund} \ \mathsf{III}, \ \mathsf{L.P.}$

- Precision Capital Special Opportunities Fund III, LLC
- RCP Fund IV, L.P.
- VSS Mezzanine Partners, L.P.

Absolute Return

• PRIT

Commission Recapture

- Lynch, Jones & Ryan
- Rochdale Securities Corp

Custodian

▶ 2007 Return	9.18%
▶ 2007 Target	8.00%
▶ 2007 Market Value	\$168.3 M
▶ 2003-2007 (Annualized)	12.62%
▶ 1985-2007 (Annualized)	10.22%

Watertown

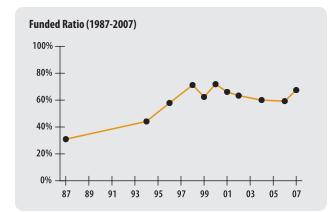
P. O. Box 199 149 Main Street Watertown, MA 02471-0199 Phone 617-972-6456 or 888-972-6456 Fax 617-923-3531

Board Members

Thomas V. Thibaut, Jr. (Chairperson), Domenic Arone, James I. Bean, John T. Loughran, Thomas J. Tracy

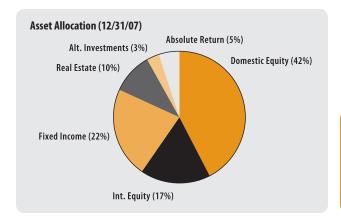
Board Administrator Barbara A. Sheehan **Board Meeting**

Varies



Investn	ent F	Return (2	003-2007	7, 5 Year	and 23 Y	ear Avera	ges)
25% —							
20%							
15%	_						
10%	-					-	_
5%			_			-	-
0%							
	03	04	05	06	07	03-07	85-07

Asset Growth (1998-2007) (Market Value in Millions) \$100 \$90 \$80 \$70 \$60 \$50 \$40 \$30 \$20 \$10 \$0 99 01 03 05 07



ACTUARIAL

• Funded Ratio	67.5%
Date of Last Valuation	01/07
• Actuary	Buck
Assumed Rate of Return	8.00%
• Funding Schedule	2.5% Increasing
• Year Fully Funded	2017
Unfunded Liability	\$43.1 M
Total Pension Appropriation (Fiscal 2008)	\$7.3 M

	Active	Retired
 Number of Members 	517	406
 Total Payroll/Benefit 	\$23.1 M	\$8.8 M
 Average Salary/Benefit 	\$44,700	\$21,800
Average Age	NA	75
Average Service	NA	NA

INVESTMENT

Domestic Equity

- Fisher Investments, Inc.
- SSgA S&P 500 Flagship Fund
- Wellington Trust Co.-CIF Small Cap 2000 Fund
- Wellington Trust Co.-CIF Mid Cap Growth Portfolio

International Equity

- Boston Company Non-US Value Equity Fund
- Lazard Emerging Markets Equity Portfolio

Domestic Fixed Income

- Fox Asset Management
- IR&M Core Bond Fund
- SMH Capital Advisors, Inc.
- SSgA Passive Bond Market Index SL Fund

International Fixed Income

• Rogge International Bond Fund

Real Estate

- Arsenal Real Estate Fund IA, L.P.
- Clarion Lion Properties Fund
- Intercontinental Real Estate Investment Fund III & IV, LLC
- New Boston Institutional Fund, L.P. VI

Alternative Investments

- Auda Ventures, L.P.
- Novo Vita, L.P.
- Novus Ventures II, L.P.
- RCP Fund IV, LP

Absolute Return

• PRIT

Commission Recapture

• Rochdale Securities Corp.

Consultant

Segal Advisors

Custodian

▶ 2007 Return	7.72%
▶ 2007 Target	8.50%
▶ 2007 Market Value	\$95.7 M
▶ 2003-2007 (Annualized)	12.38%
▶ 1985-2007 (Annualized)	9.65%

Webster

2%

0%

03

04

05

Municipal Building 350 Main Street, Suite 5 Webster, MA 01570 Phone 508-949-3800 Fax 508-949-3826

Board Members

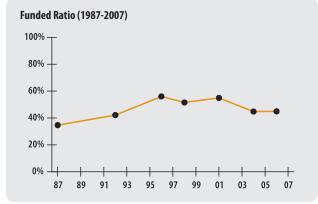
Daniel Bonnette (Chairperson), Eleanor P. Doros, Paul J. Minarik, Louis T. Polletta, Pamela A. Regis

Board Administrator

Gerry Wentworth

Board Meeting

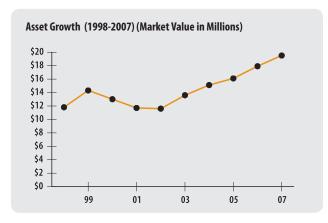
Third Wednesday of each month

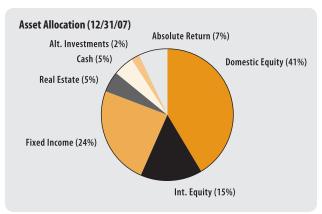


Investment Return (2003-2007, 5 Year and 23 Year Averages) 18% 16% 12% 10% 8% 6% 4%

06

07





ACTUARIAL

• Funded Ratio	45.0%
Date of Last Valuation	01/06
• Actuary	PERAC
Assumed Rate of Return	8.00%
• Funding Schedule	4.5% Increasing
Year Fully Funded	2028
Unfunded Liability	\$18.6 M
Total Pension Appropriation (Fiscal 2008)	\$1.7 M

	Active	Retired
 Number of Members 	224	126
 Total Payroll/Benefit 	\$6.8 M	\$1.9 M
 Average Salary/Benefit 	\$30,400	\$15,000
Average Age	46	72
Average Service	10.9 years	NA

INVESTMENT

Domestic Equity

- Independence Mid Cap Core Fund
- Independence Small Cap Fund
- RhumbLine Russell 1000 Pooled Index Fund

International Equity

• INVESCO IRT International Equity Fund

Domestic Fixed Income

• Loomis Sayles Investment Grade Fixed Income Fund

Real Estate

• PRIT

03-07 85-07

Alternative Investments

• PRIT

Absolute Return

• PRIT

Consultant

• Wainwright Investment Counsel, LLC

Custodian

▶ 2007 Return	8.28%
▶ 2007 Target	8.70 %
▶ 2007 Market Value	\$19.5 M
▶ 2003-2007 (Annualized)	11.88%
▶ 1985-2007 (Annualized)	9.13%

Wellesley

Town Hall 525 Washington Street Wellesley, MA 02482 Phone 781-431-1019, ext. 2216 or 2217 Fax 781-239-1043

Board Members

ACTUARIAL

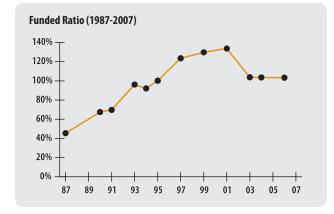
David N. Kornwitz (Chairperson), Joan Donahue, Richard C. Gerard, Derek B. Knight, Sheryl Strother

Board Administrator

Laurie A. Lizak

Board Meeting

Third or fourth Wednesday of the month at 7:30 am



Investment Return (2003-2007, 5 Year and 23 Year Averages) 20% 15% 10% 5% 0% 03 04 05 07 03-07 85-07 06

Asset Growth (1998-2007) (Market Value in Millions) \$160 \$140 \$120 \$100 \$80 \$60 \$40 \$20 \$0 99 01 03 05 07

▶ Asset Allocation

See page 121 for PRIT asset allocation chart.

• Funded Ratio	103.2%
Date of Last Valuation	01/06
• Actuary	Segal
Assumed Rate of Return	8.00%
• Funding Schedule	Fully Funded
Year Fully Funded	NA
Unfunded Liability	\$-3.9 M
Total Pension Appropriation (Fiscal 2008)	\$0.0 M

	Active	Retired
 Number of Members 	636	415
 Total Payroll/Benefit 	\$26.4 M	\$7.8 M
 Average Salary/Benefit 	\$41,500	\$18,900
• Average Age	45	74
Average Service	9.4 years	NA

INVESTMENT

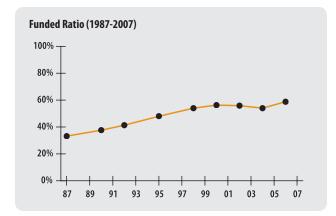
• PRIT

▶ 2007 Return	8.41%
▶ 2007 Target	8.50 %
▶ 2007 Market Value	\$144.3 M
▶ 2003-2007 (Annualized)	13.53%
▶ 1985-2007 (Annualized)	12.07%

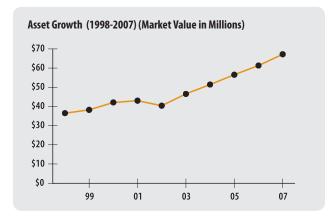
West Springfield 26 Central Street Suite 26 West Springfield, MA 01089-2766 Phone 413-263-3013 and 3201 Fax 413-263-3198

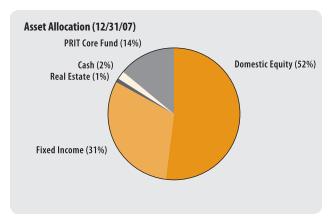
Board Members

Raymond N. Spear (Chairperson), Gerard P. Connor, Jr., Stephen P. Hayes, Richard S. Sullivan, Sharon Wilcox **Board Administrator** Ann Wojcik **Board Meeting** Varies



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ACTUARIAL

• Funded Ratio	58.8%
Date of Last Valuation	01/06
• Actuary	Stone
Assumed Rate of Return	8.00%
• Funding Schedule	3.82% Increasing
Year Fully Funded	2026
Unfunded Liability	\$40.3 M
• Total Pension Appropriation (Fiscal 2008)	\$4.6 M

	Active	Retired
 Number of Members 	579	368
 Total Payroll/Benefit 	\$18.7 M	\$5.1 M
 Average Salary/Benefit 	\$32,300	\$14,000
• Average Age	46	73
Average Service	11.3 years	NA

INVESTMENT

Domestic Equity

- Chase Investment Counsel Corporation
- Systematic Financial Management

Domestic Fixed Income

• Longfellow Investment Management

Real Estate

• AmSouth Timber Fund

General Allocation

• PRIT

Consultant

• Dahab Associates

Custodian

▶ 2007 Return	9.43%
▶ 2007 Target	8.00%
▶ 2007 Market Value	\$67.2 M
▶ 2003-2007 (Annualized)	10.24%
▶ 1985-2007 (Annualized)	9.19%

Westfield

P. O. Box 106 59 Court Street Westfield, MA 01086-0106 Phone 413-572-6239 Fax 413-572-6290

Board Members

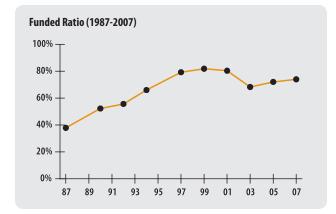
Kevin J. Regan (Chairperson), John E. Kane, William D. Leahy, Richard F. Russell, Deborah A. Strycharz

Board Administrator

Lynn E. Rea

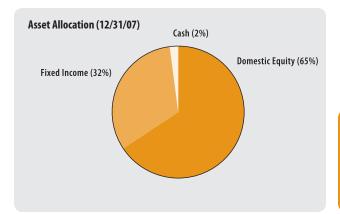
Board Meeting

Third Thursday of each month at 3:00 pm



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ACTUARIAL

Funded Ratio	74.0%
Date of Last Valuation	01/07
• Actuary	PERAC
Assumed Rate of Return	8.00%
• Funding Schedule	4.5% Increasing
Year Fully Funded	2024
Unfunded Liability	\$45.6 M
Total Pension Appropriation (Fiscal 2008)	\$6.2 M

	Active	Retired
 Number of Members 	937	526
 Total Payroll/Benefit 	\$33.0 M	\$8.8 M
 Average Salary/Benefit 	\$35,200	\$16,700
• Average Age	47	72
Average Service	11.6 years	NA

INVESTMENT

Domestic Equity

- Congress Trust, N.A.
- INTECH Institutional Large Cap Growth Fund
- Loomis, Sayles & Company, L.P.
- Loomis Sayles Small Cap Value Fund
- Voyageur Large Cap Value Fund

Domestic Fixed Income

- Hartford Institutional Trust Core Plus Fixed Income Series
- Income Research & Management
- Voyageur Core Plus Fixed Income Fund

Custodian

▶ 2007 Return	7.09%
▶ 2007 Target	9.38%
▶ 2007 Market Value	\$143.0 M
▶ 2003-2007 (Annualized)	11.15%
▶ 1985-2007 (Annualized)	9.75%

Weymouth

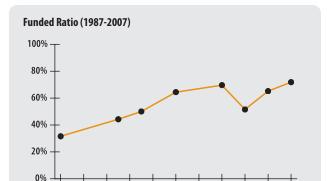
807 Broad Street Weymouth, MA 02189 Phone 781-331-8721 Fax 781-331-3005

Board Members

Barbara Costa (Chairperson), Joseph L. Davis, Greg Hargadon, Frank S. Lagrotteria, Edward Masterson

Board Administrator

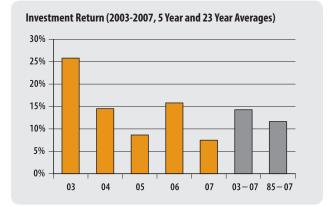
Marsha P. Silva **Board Meeting**Third Tuesday of each month



ACTUARIAL Cunded De

• Funded Ratio	71.9%
Date of Last Valuation	01/07
• Actuary	Stone
Assumed Rate of Return	8.00%
Funding Schedule	1.35% Increasing
Year Fully Funded	2021
Unfunded Liability	\$53.6 M
• Total Pension Appropriation (Fiscal 2008)	\$7.7 M

	Active	Retired
 Number of Members 	856	633
Total Payroll/Benefit	\$34.8 M	\$11.6 M
 Average Salary/Benefit 	\$40,700	\$18,300
Average Age	47	77
Average Service	10.5 years	NA



INVESTMENT

Domestic Equity

- Boston Company Dynamic Equity Fund
- Independence SMID Core Fund
- RhumbLine S&P 500 Pooled Index Fund

International Equity

• SSgA All International Allocation Common Trust Fund

Domestic Fixed Income

• Pyramis Core Plus Commingled Pool

Real Estate

- Intercontinental Real Estate Investment Fund III, LLC
- PRIT

Alternative Investments

- INVESCO International Partnership Fund IV, L.P.
- INVESCO U.S. LBO & Corporate Finance Partnership Fund IV, L.P.
- INVESCO Venture Partnership Fund IV, L.P.

Absolute Return

• PRIT

Consultant

• Segal Advisors

Custodian

Asset Growth (1998-2007) (Market Value in Millions)					
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Asset Allocation (12/31/07)
Absolute Return (7%) Alt. Investments (2%)
Real Estate (10%) Domestic Equity (44%)
Fixed Income (20%)
Int. Equity (17%)

▶ 2007 Return	7.50%
▶ 2007 Target	8.00%
▶ 2007 Market Value	\$144.9 M
▶ 2003-2007 (Annualized)	14.29%
▶ 1985-2007 (Annualized)	11.66%

Winchester

71 Mount Vernon Street Winchester, MA 01890 Phone 781-721-7127 Fax 781-721-7156

Board Members

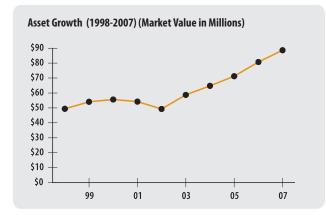
George F. Morrissey, Esq., (Chairperson), Stephen Channell, William P. Duran, Jr., James B. Gray, William Zink

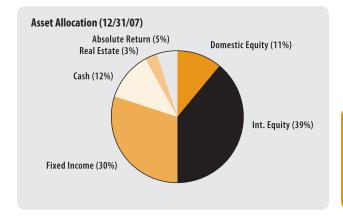
Board Administrator Karen Manchuso **Board Meeting**

Varies



Investment Return (2003-2007, 5 Year and 23 Year Averages) 25% 20% 15% 10% 5% 0% 04 05 03-07 85-07 03 06 07





ACTUARIAL

• Funded Ratio	81.5%
Date of Last Valuation	01/07
• Actuary	PERAC
Assumed Rate of Return	8.00%
• Funding Schedule	1.5% Increasing
Year Fully Funded	2021
Unfunded Liability	\$16.6 M
• Total Pension Appropriation (Fiscal 2008)	\$3.1 M

	Active	Retired
 Number of Members 	353	299
 Total Payroll/Benefit 	\$15.9 M	\$5.1 M
 Average Salary/Benefit 	\$44,900	\$17,000
Average Age	48	74
Average Service	12 years	NA

INVESTMENT

Domestic Equity

- J.L. Kaplan Associates
- SSgA S&P 500 Flagship Fund

International Equity

- SSgA Active International Small Cap SL Common Trust Fund
- SSgA Daily Active Emerging Markets Fund
- SSgA Daily International Alpha Securities Lending Fund
- SSgA International Growth Opportunities Fund

Domestic Fixed Income

- Wellington Trust Co.-CIF II Core Bond Fund

Real Estate

- Guggenheim Real Estate Plus Fund
- SSgA Tuckerman / Multi-Family Development Program III
- TA Realty Associates Fund VI

Absolute Return

PRIT

Inflation Hedge Product

SSgA Real Asset Strategy

Custodian

▶ 2007 Return	11.13%
▶ 2007 Target	8.00%
▶ 2007 Market Value	\$88.6 M
▶ 2003-2007 (Annualized)	14.58%
▶ 1985-2007 (Annualized)	10.99%

Winthrop

Town Hall 1 Metcalf Square Winthrop, MA 02152 Phone 617-539-5750 Fax 617-539-0820

Board Members

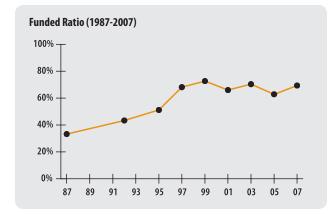
Michael Bertino (Chairperson), Eric Cocca, Michael McManus, Brian Perrin, Cindy Silva

Board Administrator

Barbara O'Brien

Board Meeting

Last Monday of the month at 5:30 pm



Investment Return (2003-2007, 5 Year and 23 Year Averages) 25% 20% 15% 10% 5% 0% 03-07 85-07 03 04 05 06 07

Asset Growth (1998-2007) (Market Value in Millions) \$40 \$35 \$30 \$25 \$20 \$15 \$10 \$5 \$0 03 05 99 01 07

▶ Asset Allocation

See page 121 for PRIT asset allocation chart.

ACTUARIAL

• Funded Ratio	69.4%
Date of Last Valuation	01/07
• Actuary	PERAC
Assumed Rate of Return	8.25%
Funding Schedule	2.0% Increasing
Year Fully Funded	2019
Unfunded Liability	\$14.7 M
Total Pension Appropriation (Fiscal 2008)	\$2.5 M

	Active	Retired
 Number of Members 	266	170
 Total Payroll/Benefit 	\$10.0 M	\$2.6 M
 Average Salary/Benefit 	\$37,500	\$15,400
• Average Age	49	74
Average Service	11.3 years	NA

INVESTMENT

• PRIT

▶ 2007 Return	11.81%
▶ 2007 Target	8.50%
▶ 2007 Market Value	\$38.6 M
▶ 2003-2007 (Annualized)	14.57%
▶ 1985-2007 (Annualized)	10.30%

Woburn

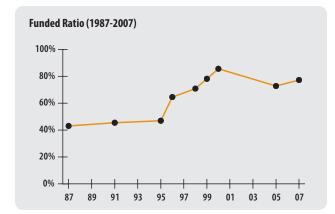
City Hall, Second Floor 10 Common Street Woburn, MA 01801-4139 Phone 781-897-5820 Fax 781-897-5824

Board Members

Gerald W. Surette (Chairperson), Denis P. Devine, A. John Flaherty, Michael J. Gorman, Marilou E. Lundin

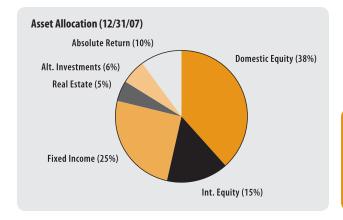
Board Administrator Maureen T. Marcucci

Board Meeting Varies



Investm	ent F	Return (2003-200	07, 5 Yeaı	r and 23 \	/ear Avera	ges)
25% —							
20%	-						
15%	-				1		
10%		_					
5%	-	_		Н			₩
0% —							
	03	04	05	06	07	03-07	85-07

Asset Growth (1998-2007) (Market Value in Millions) \$120 \$100 \$80 \$60 \$40 \$20 \$0 99 01 03 05 07



ACTUARIAL

• Funded Ratio	77.3%
Date of Last Valuation	01/07
• Actuary	Buck
Assumed Rate of Return	8.00%
• Funding Schedule	4.0% Increasing
• Year Fully Funded	2022
Unfunded Liability	\$30.1 M
• Total Pension Appropriation (Fiscal 2008)	\$4.3 M

	Active	Retired
 Number of Members 	580	405
Total Payroll/Benefit	\$24.3 M	\$6.7 M
Average Salary/Benefit	\$41,800	\$16,600
Average Age	NA	74
Average Service	NA	NA

INVESTMENT

Domestic Equity

- BlackRock Small Cap Growth Equity Fund
- Earnest Partners, LLC
- Independence Investments, LLC
- RhumbLine Russell 1000 Pooled Index Fund
- Turner Investment Partners, Inc.

International Equity

• PRIT

Domestic Fixed Income

- Earnest Partners, LLC
- Eaton Vance Loan Opportunities Fund, Ltd.
- Loomis Sayles Institutional High Income Fund
- SSgA Passive Bond Market Index SL Fund

Real Estate

- Intercontinental Real Estate Investment Fund II & III, LLC
- PRIT
- SSgA Tuckerman / Multi-Family Development Program III
- SSgA Tuckerman / Property Redevelopment & Renovation Fund
- TA Realty Associates Fund V

Alternative Investments

- Charlesbank Equity Fund V & VI
- INVESCO Non-U.S. Partnership Fund III, L.P.
- INVESCO U.S. Buyout & Expansion Capital Partnership Fund III, L.P.

- INVESCO Venture Partnership Fund III, L.P.
- Wilshire Private Markets Fund VII

Emerging Markets

• PRIT

Absolute Return

• PRIT

Commission Recapture

- · Lynch, Jones & Ryan
- Rochdale Securities Corp

Consultant

• Wainwright Investment Counsel, LLC

Custodian

▶ 2007 Return	10.62%
▶ 2007 Target	8.30%
▶ 2007 Market Value	\$110.1 M
▶ 2003-2007 (Annualized)	13.31%
▶ 1985-2007 (Annualized)	10.80%

Worcester

City Hall, Room 103 455 Main Street Worcester, MA 01608 Phone 508-799-1062 Fax 508-799-1047

Board Members

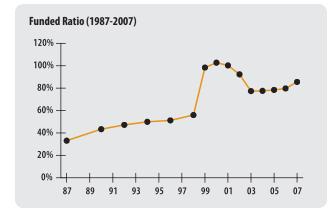
James DelSignore (Chairperson), Elizabeth A. Early, Raymond F. McGrath, Thomas M. Wade, Stephen F. Wentzell

Board Administrator

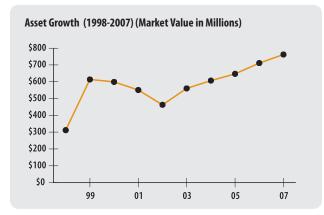
Elizabeth A. Early

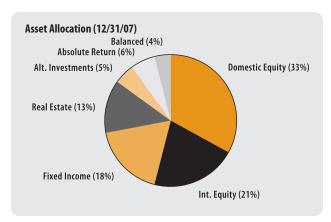
Board Meeting

Second and Third Thursday of each month



Investn	ent R	eturn (2	2003-200	7, 5 Year	and 23 Ye	ar Avera	ges)
30% —							
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15%	-						
10%	-						_
5%	-				_		-
0%							
	03	04	05	06	07	03-07	85-07





ACTUARIAL

• Funded Ratio	85.6%
Date of Last Valuation	01/07
• Actuary	Segal
Assumed Rate of Return	8.25%
• Funding Schedule	4.0% Increasing
Year Fully Funded	2023
Unfunded Liability	\$120.8 M
• Total Pension Appropriation (Fiscal 2008)	\$24.2 M

	Active	Retired
 Number of Members 	3,397	2,864
 Total Payroll/Benefit 	\$145.7 M	\$51.0 M
 Average Salary/Benefit 	\$42,900	\$17,800
• Average Age	46	NA
 Average Service 	12.8 years	NA

INVESTMENT

Domestic Equity

- Columbia Management Group, Inc.
- Enhanced Investment Technologies (INTECH)
- · Loomis, Sayles & Company, L.P.
- Penn Capital Management Company, Inc.
- SSgA Russell 1000 Value SL Fund
- SSgA S&P 500 Flagship Fund
- SSgA S&P Mid Cap Index SL Fund

International Equity

- · Acadian International Small Cap Fund
- Boston Company EAFE Value Fund
- Lazard Emerging Markets Equity Portfolio
- SSgA MSCI-EAFE Index Securities Lending Fund

Domestic Fixed Income

- · Loomis, Sayles & Company, L.P.
- Opus Investment Management, Inc.

Real Estate

- Bailard Real Estate Investment Trust I
- Hancock Timberland VII
- Heitman Value Partners, L.P.
- Intercontinental Real Estate Investment Fund IV, LLC
- INVESCO Core Real Estate Fund
- PRIT
- RMK Balanced Timberland Fund B
- RMK Select Timberland Investment Fund I &
- RREEF Global Real Estate Securities Fund
- Value Enhancement Fund II, III, IV

Absolute Return / Hedge Funds

• Aetos Capital Balanced Portfolio

- Blackstone Alternative Asset Management, L.P. / BPIF Non-Taxable L.P. ("Partners NT")
- PRIT

Alternative Investments

- · Ascent Venture Partners II, III, IV, L.P.
- Boston Capital Ventures III
- Boston Millennia Partners II & III, L.P.
- Charlesbank Equity Fund V & VI
- · Concord Partners III, L.P.
- Duke Street Capital Fund III
- European Strategic Partners I, L.P.
- Harvest Partners V, L.P.
- INVESCO Non-U.S. Partnership Fund II, L.P.
- INVESCO U.S. Buyout Partnership Fund II, L.P.
- INVESCO U.S. Venture Partnership Fund III, L.P.
- INVESCO Venture Partnership Fund II, L.P.
- New England Growth Fund I & II, L.P.
- Newstone Capital Partners, L.P.
- Northstar Mezzanine Partners III & IV
- Riverside Capital Appreciation Fund 2000 &
- Riverside Capital Europe Fund III
- Standard Life European Strategic Partners Fund 2006
- Vitruvian Investment Partnership I

Global Balanced

- · Mellon Global Alpha I Fund
- PIMCO All Asset Fund

Consultant

· Meketa Investment Group

Custodian

▶ 2007 Return	9.12%
▶ 2007 Target	8.25%
▶ 2007 Market Value	\$762.1 M
▶ 2003-2007 (Annualized)	14.33%
▶ 1985-2007 (Annualized)	10.51%

Worcester **Regional**

23 Midstate Drive, Suite 106 Auburn, MA 01501 Phone 508-832-6314 Fax 508-832-6318

Board Members

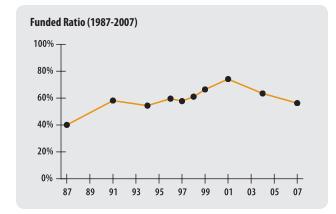
Roger R. Dubois (Chairperson), Carol A. Baron, Beverly P. Kenniston, Pauline Lajoie, Joann M. Sharp

Board Administrator

Kevin Blanchette

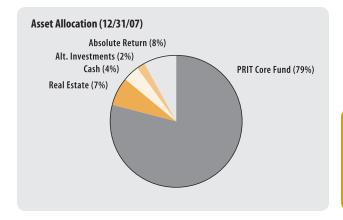
Board Meeting

Usually last Tuesday of each month



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Asset Growth (1998-2007) (Market Value in Millions) \$450 \$400 \$350 \$300 \$250 \$200 \$150 \$100 \$50 \$0 99 01 03 05 07



ACTUARIAL

• Funded Ratio	56.3%
Date of Last Valuation	01/07
• Actuary	Buck
Assumed Rate of Return	8.50%
• Funding Schedule	4.5% Increasing
Year Fully Funded	2028
Unfunded Liability	\$303.0 M
• Total Pension Appropriation (Fiscal 2008)	\$22.9 M

	Active	Retired
 Number of Members 	6,610	2,887
Total Payroll/Benefit	\$211.5 M	\$37.5 M
Average Salary/Benefit	\$32,000	\$13,000
Average Age	NA	74
Average Service	NA	NA

INVESTMENT

Real Estate

- AEW Partners V, L.P.
- Clarion Lion Properties Fund
- Intercontinental Real Estate Investment Fund III, LLC
- SSgA Tuckerman / Property Redevelopment & Renovation Fund
- TA Realty Associates Fund IV & VII

Alternative Investments

- Ascent Venture Partners II & IV, L.P.
- North American Strategic Partners 2006, L.P.
- Zero Stage Capital V, VI, VII, L.P.

Hedge Fund

- Attalus Multi Strategy Fund, Ltd.
- EnTrust Capital Diversified Fund

General Allocation

• PRIT

Consultant

• Segal Advisors

Custodian

▶ 2007 Return	8.72%
▶ 2007 Target	9.00%
▶ 2007 Market Value	\$421.5 M
▶ 2003-2007 (Annualized)	10.58%
▶ 1985-2007 (Annualized)	9.69%

PRIM Board

84 State Street Suite 250 Boston, MA 02109 Phone 617-946-8401 Fax 617-946-8475

Board Members

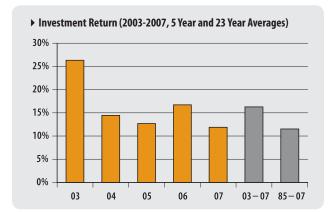
Treasurer Timothy P. Cahill (Chairperson), Alexander E. Aikens, III, C. LaRoy Brantley, Robert Brousseau, Paul Cesan, Leslie A. Kirwan, Theresa McGoldrick, Esq., Ralph White

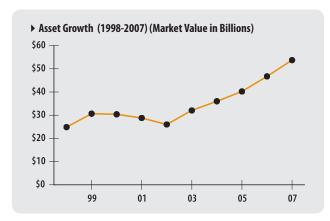
Board Administrator

Michael Travaglini

Board Meeting

Every other month, day and date varies





▶ INVESTMENT

Domestic Equity Managers

- Ariel Capital Management, LLC
- AXA Rosenberg Investment Management
- Crestline Investors
- Earnest Partners
- Gardner Lewis
- Goldman Sachs Asset Management
- Grosvenor Capital Management
- INTECH
- Legg Mason Capital Management, Inc.
- Mazama Capital Management
- Numeric Investors, LP
- NW0
- Pacific Investment Management Company
- Putnam Advisory Company, LLC
- Russell
- State Street Global Advisors
- Strategic Investment Group

International Equity Managers

- Alliance Bernstein
- AXA Rosenberg Investment Management
- Ballie Gifford
- Marathon Asset Management, Ltd.
- State Street Global Advisors

Fixed Income Managers

- Access Capital
- Barclays Global Investors
- Blackrock Financial Management, Inc.
- Bridgewater Associates
- Community Capital Management
- Loomis, Sayles & Company, L.P.
- Pacific Investment Management Company

High Yield Bond Managers

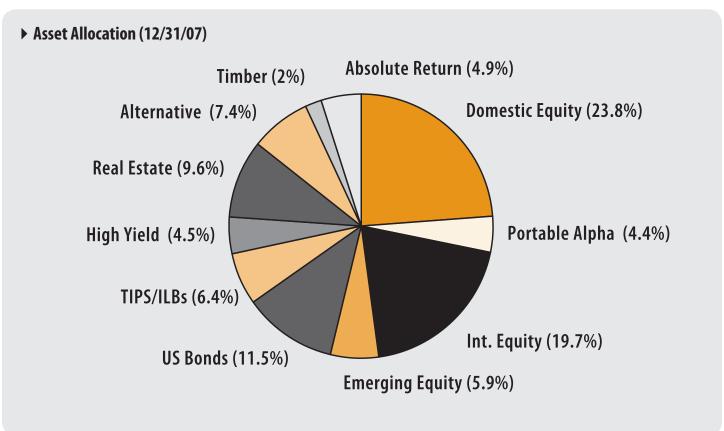
- Fidelity Management Trust Company
- · Loomis, Sayles & Company, L.P.
- Shenkman Capital Management

Emerging Markets Debt Managers

- · Ashmore Investment Management, Ltd.
- Grantham, Mayo, Van Otterloo & Co. LLC
- Pacific Investment Management Company

Distressed Debt Managers

- Angelo Gordon
- Avenue
- Oaktree
- TCW
- Wyzaka



PRIM Board (cont.)

► INVESTMENT (CONT.)

Emerging Markets Equity Managers

- Emerging Markets Management
- Grantham, Mayo, Van Otterloo & Co. LLC
- T. Rowe Price

Real Estate Managers

- Canyon Johnson
- · European Investors
- Intercontinental
- INVESCO Realty Advisors
- J.P. Morgan Investment Management
- New Boston
- RREEF America, LLC
- TA Associates Realty
- Urdang Advisors
- Wellington Management Company, LLP

Timber Managers

- · Campbell Group LLC
- Forest Investment Associates

Alternative Investments Managers

- · Advent International
- Alchemy Partners
- Alta Communications
- APAX Partners & Co.
- Apollo Management Co.
- Austin Ventures
- Battery Ventures
- · Berkshire Partners, LLC
- Blackstone Group
- Boston Ventures
- Brown Brothers Harriman & Co.
- Candover
- Carlyle Partners
- Castile Ventures
- Centerbridge Capital Partners
- Charles River Ventures
- Charlesbank Capital Partners
- · Chequers Capital
- Code Hennessey & Simmons
- Commonwealth Capital Ventures
- CVC Capital
- · Cypress Merchant Banking
- DLJ Merchant Banking
- El Dorado Ventures
- Equitable Capital Management

- · Essex Woodlands
- Exponent Partners
- First Reserve Corporation
- Flagship Ventures
- Forstmann, Little & Co.
- Freeman Spogli Equity Partners
- Genstar Capital Partners
- Gores Group
- GTCR Golder, Rauner
- Harbourvest Partners
- Hellman & Friedman Capital Partners
- H.I.G. Capital
- · Highland Capital Partners
- Insight Venture Partners
- InterWest Partners
- · Joseph Littlejohn & Levy
- Kelso & Company
- Kohlberg Kravis Roberts and Co.
- · Landmark Equity Partners
- Lexington Partners
- Madison Dearborn Capital Partners
- M/C Venture Partners
- Menlo Ventures
- Montagu Private Equity
- · Narragansett Capital, Inc.
- Nautic Partners
- New Enterprise Associates
- Nordic Capital
- Olympus Growth Fund
- Onex Partners
- Permira Europe
- Polaris Venture Partners
- Providence Equity Partners
- Quad-C Management, Inc.
- Richland Ventures
- SCP Vitalife
- Sovereign Capital Limited
- Spark Capital
- Spectrum Equity Partners
- Summit Ventures
- TA Associates/Advent
- TCV
- Texas Pacific Group
- Thoma Cressey Fund
- Thomas H. Lee Equity Partners

- Torquest
- Trident Capital
- Union Square
- VantagePoint Partners
- Venture Capital Fund of New England
- Vestar Capital Partners
- Welsh Carson Anderson & Stowe
- Weston Presidio Capital
- Whitney & Company
- William Blair Mezzanine Capital Fund
- Willis Stein

Absolute Return Managers

- Arden Asset Management
- Ivy Asset Management Corporation
- K2 Advisors
- Pacific Alternative Asset Management Company
- Rock Creek Group

Consultants

- · Cliffwater, LLC
- Hamilton Lane
- Townsend Group

Custodian

• Mellon Trust

▶ 2007 Return	11.90%
▶ 2007 Target	8.50%
▶ 2007 Market Value	\$53.7 B
▶ 2003-2007 (Annualized)	16.31 %
▶ 1985-2007 (Annualized)	11.52%

Disability Retirement Statistics as of 12/31/07

Disability Retirement Approvals

Disability Panel Requests

Disability Panel Requests

Disability Panel Requests

Disability Panel Requests

Disability Panel Retirem Approvals

Physician Chic Providence Chic Reviews

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Retirement Boards with 40–399 Active Members						
• Adams		2	1	0	0	0
• Amesbury		0	0	0	0	0
• Athol		4	3	0	2	0
• Blue Hills Regional		0	0	0	0	0
• Clinton		1	2	0	3	0
• Easthampton		1	0	0	1	0
• Fairhaven		1	0	0	3	0
• Gardner		0	0	1	6	0
• Greater Lawrence		0	1	0	0	0
• Greenfield		1	1	0	6	0
• Hull		0	0	0	4	1
• MHFA		0	0	0	0	0
• Marblehead		1	1	1	2	0
• Maynard		1	1	1	0	0
• Milton		1	1	0	7	0
Minuteman Regional		0	0	0	0	0
• Montague		1	1	0	4	1
• Newburyport		0	0	1	2	0
• North Adams		1	1	1	7	0
• Northbridge		0	1	0	0	0
• Reading		0	0	1	4	0
• Saugus		2	0	2	5	1
• Southbridge		1	0	0	0	0
• Stoneham		2	0	0	2	0
• Swampscott		0	0	0	3	0
• Webster		0	0	0	2	0
• Winchester		1	0	0	1	0
• Winthrop		0	0	0	3	1
Retirement Boards with 400–599 Active Members						
• Belmont		3	0	0	1	0
• Beverly		3	1	0	8	1
• Concord		2	3	0	3	0
• Danvers		1	2	0	1	0
• Dedham		2	0	1	5	0

Disability Retirement Statistics as of 12/31/07

Disability Relience of Approvals Physician Cafe Ar's Reviews

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Retirement Boards with 400–599 Active Members (cont.)					
• Gloucester	3	2	0	5	1
• Hingham	2	0	0	2	0
• Lexington	0	2	0	2	0
• Melrose	2	1	0	6	0
• Milford	0	1	0	4	0
• Natick	1	1	0	2	1
North Attleboro	3	0	0	1	0
• Norwood	0	1	0	1	0
• Revere	5	0	3	3	1
• Wakefield	2	2	0	3	0
• Watertown	1	1	1	4	0
• West Springfield	1	1	0	4	0
• Woburn	2	0	2	6	0
Retirement Boards with 600–899 Active Members					
• Andover	0	0	0	4	1
• Arlington	5	6	1	7	0
• Attleboro	3	2	0	1	0
• Braintree	1	2	1	7	1
• Chelsea	3	0	0	4	0
• Dukes County	3	1	1	4	0
• Everett	0	0	0	2	2
• Falmouth	3	2	0	7	0
• Fitchburg	5	4	1	4	0
• Leominster	1	2	0	3	0
• Malden	5	3	0	14	1
• Marlborough	2	0	0	9	1
• Medford	8	5	1	6	2
• Methuen	4	4	0	2	0
• Needham	1	2	0	5	0
• Northampton	1	2	0	5	0
• Peabody	3	2	1	6	0
• Salem	5	4	0	7	0
• Shrewsbury	1	1	0	5	0
• Wellesley	0	0	0	2	0
• Weymouth	3	4	1	5	0

Disability Retirement Statistics as of 12/31/07

Disability Retirement Approvals. Physician CME ATS Reviews

Retirement Boards with 900–2,399 Active Members					
Berkshire Regional	3	5	0	9	1
• Brockton	13	14	2	8	0
• Brookline	7	5	1	9	1
• Chicopee	7	4	1	9	0
• Fall River	11	9	2	36	0
• Framingham	3	2	2	12	0
• Franklin Regional	2	2	0	4	0
• Haverhill	2	1	0	11	0
• Holyoke	10	8	0	18	2
• Lawrence	2	4	1	10	2
• Lowell	13	10	1	25	0
• Lynn	17	14	1	12	1
• MWRA	8	4	0	9	1
• Massport	4	4	0	4	(
Mass Turnpike	9	14	0	8	(
New Bedford	11	13	4	25	1
• Newton	9	3	4	14	3
• Pittsfield	1	1	1	8	(
• Plymouth	5	3	0	6	2
• Quincy	9	5	2	16	3
• Somerville	2	2	3	6	(
• Taunton	10	6	0	11	(
• Waltham	2	7	1	6	(
• Westfield	2	2	1	8	C
Retirement Boards with 2,400–10,000 Active Members					
Barnstable County	12	18	1	44	3
Bristol County	14	12	0	42	2
• Cambridge	15	10	5	19	(
• Essex Regional	6	4	2	15	(
- Hampden County Regional	5	4	2	13	
• Hampshire County	2	1	0	10	
• Middlesex	22	16	3	54	:
• Norfolk County	18	14	4	32	(
• Plymouth County	16	11	0	33	1

Disability Retirement Statistics as of 12/31/07

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Disability Panel	Reducts	Disability No.	Physician Chinse Chif Review	
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Retirement Boards with 2,400–10,000 Active Members (cont.)					
• Springfield	28	27	5	48	2
• Worcester	26	25	5	44	2
• Worcester Regional	17	6	0	40	1
Retirement Boards with 20,501-90,000 Active Members					
• Boston	90	103	20	136	2
• State	187	179	13	455	31
• State Teachers	45	26	0	78	2
Total All Retirement Boards	776	676	109	1,584	84

Restoration to Service Statistics

(Provided for those boards where a disability retiree has returned to work.)

• Methuen 1 • State 1 • State Teachers 1 • Waltham 1

PERM CSTMFF

Administration

- Joseph E. Connarton Executive Director
- Joseph I. Martin

 Deputy Executive Director
- Frank E. Valeri Deputy Director
- Michael J. DeVito
 Director of Strategic Planning,
 Management & Public Affairs
- Caroline J. Carcia

 Director of Administrative Services
- Kim Raynowska Senior Executive Assistant
- Virginia Barrows Chief Financial Office
- Katie Bozzi

 Accounts Payable Specialist
- Joan Arsenault

 Administrative Assistant
- Tracey Legaski

 Administrative Assistant

Actuarial

- James Lamenzo Actuary
- John Boorack
 Actuarial Associate
- Scott Henderson Senior Actuarial Analyst

Audit

- Harry Chadwick Chief Auditor
- James Tivnan

 Deputy Chief Auditor
- Robert Madison
 Western Chief Auditor
- Richard Ackerson Auditor
- Martin Feeney
 Auditor
- Carol Niemira Auditor
- James Ryan

 Auditor
- John Shea Auditor
- James Sweeney Auditor

Communications

- Sarah Kelly Communication & Education Director
- Michael Litvack
 Webmaster/Graphic Design Specialist
- Faith Towers Graphic Designer
- Ben Polatin
 Communication Specialist

Disability

- Barbara Lagorio Director of Disability
- Kate Hogan

 Manager of Medical Services
- Mary Jane Carritte Clinical Case Manager
- Patrice Looby
 Nurse Case Manager
- Doreen Duane
 Case Manager
- Regina Manning Administrative Assistant

Fraud Prevention

- Sandra King Fraud Prevention Manager
- Ellen Aucoin

 Administrative Assistant

Information Systems

- Paul Laliberte

 Director of Information Systems
- Anthony Tse Project Manage
- K-Lone Steele Senior Systems Engineer
- Irina Boukina Senior Programmer/Analyst
- Mark Joseph
 Programmer/Analyst

Investment

- Robert Dennis
 Investment Director
- Victoria Marcorelle Senior Investment Analyst
- Rose Cipriani

 Administrative Assistant
- Veronica Colon Fund Accountant

Legal

- Barbara Phillips General Counsel
- Judith Corrigan

 Deputy General Counsel
- Derek Moitoso
 Associate General Counsel
- Susan Childs Executive Assistant

